

titan of modern Turkish music. He had traveled across Asia with the Hungarian composer Bartok in search of folk music. He was fascinated by the melody of Emre's poetry. In 1946, he composed the oratorio, which proved the most enduring of his more than 90 works.

"Yunus Emre" had its premiere at the United Nations in 1958, with Leopold Stokowski conducting the Symphony of the Sea and a chorus of 200. Since then, it has been performed in many countries. Saygun died in 1991, and his passing was mourned by many of his most prominent admirers. By his own estimate, he has conducted the work more than 100 times here and abroad. He has made a recording of it, which has been released on compact disc by the Ankara State Opera and Ballet.

The performance of "Yunus Emre" was not the first cultural event in Ankara this season. Several weeks ago, an ensemble of 450 instrumentalists and singers mounted a performance of Beethoven's Ninth Symphony at the sports arena outside the city. The show was a patriotic gesture, showing their support for Western music and, by extension, Western values. The crowd loudly booed the minister of culture, Ismail Kahraman, who is perceived as indifferent toward Western culture. He cheered wildly for President Sileyman Demirel, a militant secularist, and the audience.

The picture is the picture of contemporary Turkey. It responded by looking at secular and will remain so.

the evening, followed by the performance of the role classical music has assumed in the world. It was a sponsored event, the director of the Ankara State Opera and Ballet, who is a member of the board of directors of the Ministry of Culture. For us, Western music is a symbol of democracy. For us, Western music is a symbol of democracy. For us, Western music is a symbol of democracy.

and attended by Prince Charles despite a security alert. The police stopped the prince near the entrance to the hall. The prince was escorted to the hall by a British Army soldier. The prince was escorted to the hall by a British Army soldier. The prince was escorted to the hall by a British Army soldier.

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Herald INTERNATIONAL Tribune

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The World's Daily Newspaper

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Paris, Friday, May 9, 1997

No. 35,516

TODAY:
LEISURE
Vietnam's Super Bowl Page 10

In Kinshasa, Fear of Its 'Protectors'



Bill Richardson, the U.S. envoy, said Thursday that Marshal Mobutu would probably meet again with the rebel leader, Laurent Kabila. Page 6.

Pillaging Armies Haunt the Capital

By Howard W. French
New York Times Service

KINSHASA, Zaire — Although six years have passed, not a day goes by when Antoine Nehme fails to recall the September 1991 morning when he arrived at his general merchandise store in central Kinshasa to discover that he had lost everything to army looters.

"The trouble started early one Monday morning, when they told me there were soldiers shooting all around town and that I shouldn't go out," the 70-year-old Lebanese merchant said.

"I started down the street anyway, and then I ran into my neighbor, who was returning home dressed only in his underpants. He told me that's what they were doing to foreigners caught in the streets and said that I'd better get back home."

With thick smoke rising from central Kinshasa and gunfire heard throughout the day, Mr. Nehme, who moved here in 1977 to escape the war in Lebanon, waited anxiously for daybreak the next day, when he set out with a soldier he had hired to accompany him to his shop.

But like every business in central Kinshasa, where money-traders finger thick wads of nearly worthless cash, more than ordinary shoppers, crowd the streets these days, Mr. Nehme's store was already empty.

"They even ripped out the dirty carpet," he said. "It was a total loss."

For those who lived through the early 1990s here — a turbulent period when opposition groups first began to openly challenge the rule of President Mobutu Sese Seko, and Mr. Mobutu responded by unleashing his soldiers on the city — there is no prospect more frightening than a repeat of the pillaging of Kinshasa in 1991 and 1993.

With its broad boulevards and high-rise buildings, Kinshasa was intended, first by the colonial Belgians and later by Mr. Mobutu himself, to be a showcase. But ask anyone when the grungy and battered feel of this city of five million, dates from, and almost as if speaking of a Biblical disaster, they will tell you the fall occurred in those twin rounds of destruction.

As all of Zaire anticipates the transfer of power between Mr. Mobutu, 65, who is suffering from terminal cancer, and Laurent Kabila, the rebel leader who controls most of Zaire, no immediate stake looms larger than whether this city can avoid more death and destruction. Some of the fiercest fighting in the seven-month-long war has been taking



TAKING SECURITY RELIGIOUSLY — A soldier and his dog searching 70,000 seats Thursday at the site in central Beirut where Pope John Paul II will hold Sunday Mass during his first visit to Lebanon. The site will be able to hold about 300,000 people.

Swiss Reject Overhauling '46 Pact on Nazi Loot

Because of Holiday, U.S. Report Generates Only Muted Reaction

By Alan Cowell
New York Times Service

ZURICH — A day after a sweeping U.S. condemnation of its financial dealings with Nazi Germany, Switzerland ruled out on Thursday suggestions that it renegotiate agreements regulating its responsibilities for World War II transactions and rejected Washington's accusation that it failed to live up to them.

At the same time, Swiss Jewish groups issued new demands that money from gold bars worth about \$70 million still held from the wartime era at the Federal Reserve Bank in Manhattan and the Bank of England be distributed among Holocaust survivors.

On a holiday, Ascension Day, that closed businesses, newspapers and government offices throughout the country, many Swiss had only cautious things to say about the long-awaited Eizenstat report, which was issued Wednesday in Washington.

The initial assessment of most political parties was that the report brought little new to what had already been published or suspected in months of debate here.

"The Eizenstat report wasn't killed as a big happening," said Oliver Meiler, a 28-year-old journalist. Indeed, said Hermann Wanner, a World War II veteran of the Swiss Army, "These revelations are what we have become used to from America."

Speaking anonymously, a 54-year-old banker in Geneva said, "Sometimes you just have to stop and say: This is history."

Any outrage was reserved not so much for Washington's accusation that Switzerland failed to respect agreements struck in 1946 to hand over Nazi assets stored in gold as for parts of the report confirming that the Swiss National Bank bought bullion from Germany that contained gold stolen from individual Holocaust victims, including fillings from teeth.

"I cannot imagine how such things could happen," said Roland Trauffer, the secretary of Switzerland's Catholic Bishops' Conference.

"To think there were people who could enrich themselves this way: The idea fills me with revulsion."

The 200-page report, compiled with help from 11 government agencies under the direction of Stuart Eizenstat, U.S. undersecretary of commerce, had been in the works for months. During that time, Switzerland squirmed under largely substantiated accusations from U.S. politicians and Jewish organizations that it traded unscrupulously with Germany during World War II and, in the postwar era, blocked efforts by Jews to gain access to bank deposits left by victims of Nazi persecution.

The mounting outside pressure has

Open Wide for the Laser

U.S. Approves Alternative to Dental Drill That Could Virtually Eliminate the Pain

By Patrice Apodaca
Los Angeles Times

In a development that could revolutionize dentistry and virtually eliminate the pain of having a cavity filled, the U.S. Food and Drug Administration has approved a laser system for treating tooth decay.

The laser could usher in a new era in dentistry in which the often painful procedures of using drills to remove tooth decay and prepare cavities for fillings will be replaced by relatively pain-free laser methods.

The laser system, manufactured by a California company, consists of a console and a fiber-optic cable with a handpiece at the end that looks like a standard dental drill. Like drills, it uses water or air to cool and clean the tooth during treatment. Dentists and patients will be required to wear goggles during procedures to shield their eyes.

Previously, dental lasers were ap-

proved only for use on soft tissue such as gums.

"Use of lasers in dentistry is medicine for the 21st century," said Bruce Burlington, director of the Food and Drug Administration's Center for Devices and Radiological Health. "This will give dentists and patients a significant new option for treating decay and doing other related procedures." The food and drug agency announced its approval of the system Wednesday.

An FDA spokesman, Sharon Snider, told the International Herald Tribune that while it appeared that the laser was less painful than conventional drills, "we're not allowing them to make a claim that it's pain-free." (A spokesman for the American Dental Association, Chris Martin, said laser technology was already in use for treating cavities and other dental procedures in Germany and Japan.)

See LASER, Page 7

See KINSHASA, Page 6

Republicans Return Foreign Donation

By Brian Knowlton
International Herald Tribune

WASHINGTON — The Republican Party returned a campaign contribution of more than \$100,000 on Thursday, acknowledging that the money originated from a Hong Kong company and not from a subsidiary incorporated in Florida.

It was by far the largest reimbursement by the party, which previously had returned \$15,050 in questionable campaign donations.

It put the Republicans nowhere near

the \$3 million in dubious donations returned by the Democratic National Committee, but analysts said it would provide Democrats with a handy rebuttal when the issue is raised.

"It certainly puts the Republicans on the defensive," said James Thurber, director of the American University Center for Congressional and Presidential Studies. "It embarrasses them and shows that both parties should be investigated regarding their foreign contributions."

James Nicholson, chairman of the Republican National Committee, said

Thursday that the party had had no reason to question the legality of the contributions before Time magazine reported last week that Young Brothers Development-USA, the Florida-registered company that made the donation, was a shell company controlled from Hong Kong.

Time reported that Young Brothers was controlled by Ambrosius Tung Young of Hong Kong, a former Taiwan naval officer who is the Asian agent for several aviation companies. It added

See FUNDS, Page 6

Israel's Legal 'Torture' Draws Growing Protests

By Serge Schmemmann
New York Times Service

JERUSALEM — For a 20-year-old Palestinian student named George, the ordeal began with his arrest at a checkpoint between Jerusalem and Bethlehem. He was taken first to the Jerusalem jail known as the Russian Compound, and after three days transferred to the interrogation center at the Ashkelon prison.

For the next 17 days in December 1995, George endured what thousands of Palestinians have suffered at the hands of Israel's secret police, what Israel officially terms "moderate physical pressure," and human rights groups call torture.

He was kept sleepless in contorted and excruciating positions with a foul smelling bag over his head, he was

threatened, he was beaten, and he was subjected to violent shaking until he passed out.

Israel, of course, is not alone among its neighbors in using physical coercion to extract information. The Palestinian Authority of Yasser Arafat has been accused of torturing several prisoners to death, accounts of torture are common in several Arab countries, including Syria and Iraq, and cases of police brutality are rife in every society.

But alone among its neighbors, and in a departure from the Western democracies whose values and laws it shares, Israel has sought to codify and legally justify the use of violence in interrogations, and the Israeli Supreme Court has regularly condoned the practice. Some Israelis defend this as an advance: an attempt to acknowledge and assert control over the more brutal forms of interrogation, which Israelis often argue are necessary and inevitable in any nation's fight against terror.

But now the approach is being fiercely criticized by human rights groups in Israel and abroad. On Wednesday, in Geneva, the United Nations Committee Against Torture summoned Israel for an extraordinary hearing to face accusations that its practices violate the international convention against torture.

Israel's accusers argue that regulating the use of torture only condones and encourages it.

The Israeli response in Geneva, as it



DEATH ALOFT — Karachi relief workers carrying one of six victims of a fire after fuel tanks were jettisoned by a Pakistani plane. Page 4.

Asia's New Red Revolution? It Comes in a Wineglass

By Michael Richardson
International Herald Tribune

HONG KONG — As Filipino singers crooned "Love is a wonderful thing" amid a blaze of colored strobe lights, Edmund Wu relaxed against a large pink cushion on a sofa with his left hand caressing the shoulder of a pretty nightclub hostess and his right hand cupping a glass of Chateau Lafite-Rothschild.

Club Bbobs in Kowloon was filling up fast and Mr. Wu, a 28-year-old executive of a Hong Kong trading company, was waiting for two Japanese clients to arrive for an evening of business dealing and entertainment.

"I used to drink Cognac," he said as he watched the

next act, a group of topless British dancers. "But now I prefer red wine because it's better for health and digestion. My friends prefer it, too." Especially if it is a Chateau Lafite-Rothschild, which costs 2,000 Hong Kong dollars (\$258) a bottle.

Although the cavernous marble and mirror-lined nightclub remains a bastion of serious Cognac consumption — the traditional drink of Chinese banquet toasts and revelry in Hong Kong — wine in the territory and many other parts of Asia is becoming fashionable in a big way.

As wealth spreads and consciousness about health grows, more and more Asians are drinking wine in restaurants, clubs, bars and at home in preference to local or imported spirits.

AGENDA

Blair Stakes Out Legislative Agenda

Prime Minister Tony Blair of Britain and his new cabinet formulated the first legislative package to be put to Parliament by a Labour government in 18 years, including consideration of the country's first "freedom of information act," its first laws regulating campaign fund-raising by political parties and reform of the National Health Service.

The 17-month legislative program of about 17 to 20 proposals, agreed to by the cabinet Thursday, will form the backbone of the new Labour government's plan to implement its ambitious campaign promises. The program will be formally presented in a speech read by Queen Elizabeth II when Parliament convenes Wednesday. Page 5.

The Dollar			
New York	Thursday @ 4 P.M.	previous close	
DM	1.7083	1.719	
Pound	1.82	1.8137	
Yen	123.75	125.015	
FF	5.783	5.7977	

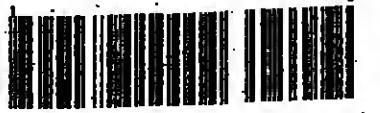
The Dow			
Thursday close	previous close		
+51.77	7136.62	7084.85	

S&P 500			
Thursday @ 4 P.M.	previous close		
change	819.91	815.62	

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Sports	Pages 20-21
The Internet	Page 12
The IHT on-line	http://www.ih.com

Newstand Prices

Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 FF
Egypt	5.50	Reunion	12.50 FF
France	10.00 FF	Saudi Arabia	1,100 CFA
Gabon	1,100 CFA	Senegal	225 PTAS
Italy	2,800 Lire	Spain	1,250 Dh
Ivory Coast	1,250 CFA	Tunisia	10.00 Dh
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$1.20



See ISRAELIS, Page 7

See WINE, Page 6

THE AMERICAS

Clinton Gets a Dose Of 2 Distinct Mexicos

NAFTA Helps Some, but Ignores Others

By Molly Moore and Peter Baker
Washington Post Service

MEXICO CITY — In the morning, President Bill Clinton stood in a cavernous auditorium before thousands of business owners and government officials, hailing the economic wonders wrought by the North American Free Trade Agreement of 1993.

In the afternoon, he took a helicopter for 75 miles (120 kilometers) to the colonial town of Tlaxcala, where he was greeted by thousands of peasant farmers who make an average of \$3.50 a day — when they can find work — and who were lured to a colorful rally by free food, sweaters and transportation.

"There's no work in my town," said Virginio Maldonado Sanchez, a 60-year-old farm laborer who rode to Tlaxcala on a government bus for an hour. "On days when I can find work, we eat. On days I don't have work, we barely eat."

Mr. Clinton's day of contrasts underscored the economics and the politics of NAFTA at a time when the president is pressing to extend lower trade barriers throughout Latin America.

As indicated by statistics rattled off in Mr. Clinton's keynote address at the National Auditorium in Mexico City alongside President Ernesto Zedillo, it is not hard to find Mexicans who have benefited from the trade agreement.

But as his visit to Tlaxcala demonstrated only a few hours later, it also is easy to find those who have not.

Those realities are especially important because they will help define the debate as the United States and its neighbors try to enhance their economic relationships. Expanded free trade is a central mission of Mr. Clinton's first official trip to Latin America.

In the Mexico born of NAFTA, Mr. Clinton said, electronics workers have new jobs and better pensions, while hundreds of thousands of women now get mammograms because of American-made medical equipment.

"Many people in both our countries painted a dark picture of lost jobs and boarded-up factories should NAFTA prevail," Mr. Clinton said in the morning speech. "Well, they were wrong. NAFTA is working — working for you and working for the American people."

But along the newly repaired streets of Tlaxcala, the peasants bused to the outdoor event described a different Mexico. They live in a state where one-quarter of all families live on \$1,042 a year, at most; where one-fourth of the population lives in one-room houses, and where nearly one-fourth of all homes have no toilets. And this is one of Mexico's more economically sound states.

"I really hope he understands the real situation," said Claudia, a government secretary who was ordered to attend Mr. Clinton's speech in Mexico City and did not want to give her last name for fear of reprisals from the authorities.

"The problem is," she added, "he doesn't see it because he never sees the poor people. He never saw that because the Mexican police don't let him see them."

The effects of NAFTA are hard to pinpoint, in part because it took effect at the same time the Mexican peso crisis erupted. But some things are clear: Trade between the two countries has risen nearly 60 percent, to \$130 billion last year, since the agreement was signed.

That made Mexico the third-largest U.S. trading partner and put it fast on the heels of Japan, the No. 2. But the slight trade surplus the United States enjoyed with Mexico before NAFTA has turned into a \$16 billion deficit.

Tlaxcala provided a carefully orchestrated backdrop for Mr. Clinton's only encounter with everyday Mexicans, and, in his speech, he stressed that the partnership between the two countries "must be pursued in a genuine spirit of respect, equality and dignity."

But the state's governor — Jose Antonio Alvarez Lima, a member of Mr. Zedillo's governing party — struck at issues that anger many Mexicans.

He urged Mr. Clinton to help forge a U.S.-Mexican relationship as "between equals" and voiced "concern for the human rights of our fellow Mexican citizens in the United States."

The statement drew the only spontaneous applause of the rally.



President and Mrs. Clinton trying on masks in the market at Tlaxcala.

Central America Should Share In 'Prosperity,' President Says

The Associated Press

SAN JOSE, Costa Rica — President Bill Clinton opened a summit meeting Thursday with Central American leaders, celebrating an era of peace after decades of civil wars and promising that they would be "not just neighbors but real partners" with the United States.

"We are here to help our economies grow and to grow closer by opening our markets, protecting our workers and sharing more fairly the benefits of prosperity," Mr. Clinton said from a stage in front of the National Theater.

The meeting was expected to produce several modest trade deals and an open-skies accord that should make flying here easier and cheaper. And the summit

meeting's trade declaration would promote U.S. tariff reductions for more Central American goods, administration officials said.

The focus on trade was underscored by President Jose Figueres of Costa Rica, who expressed Central American concerns of "being left behind by the vehicle of progress."

He gently prodded Mr. Clinton to push ahead with his stalled promise to create a free-trade zone in the Americas by 2005. Mr. Figueres said the goal must be pursued "without hurry but also without pause."

Mr. Clinton told the leaders, who have complained of being ignored by the United States: "We know that we must not be just neighbors, but real partners, working together in a spirit of friendship, equality and mutual respect."

With Guatemala's 1996 peace treaty, the entire region is at peace for the first time in a generation. When President George Bush visited here eight years ago, El Salvador, Nicaragua and Guatemala were fighting civil wars.

Disaster Relief Held Up in Senate

WASHINGTON — The Senate has voted to make it easier to build roads through federal lands and agreed to delay cutoff of some welfare benefits to legal immigrants as it struggled to resolve disputes holding up an "emergency" disaster-relief bill.

The bill would provide \$5.5 billion in aid to victims of floods and other disasters in 33 states and \$1.8 billion for peacekeeping operations in Bosnia and the Middle East.

The main dispute centers on a Republican proposal to forestall government shutdowns by funding agencies at reduced rates when spending bills have not been enacted by the start of a new fiscal year. Democrats describe the proposal as a backdoor ploy to slash spending, and President Bill Clinton has threatened to veto the bill.

The debate over disaster relief threatened to turn into a disaster for environmentalists. Conservation groups were stung by the Senate vote on the road-building measure, which increases states' authority to build highways in national parks and wilderness areas. Environmentalists also feared a defeat in the House, which debated a proposal to grant broad exemptions from the Endangered Species Act for dams and other water-control projects.

Opponents of the House bill said it would have weakened protections for rare animals. But Republican leaders withdrew the bill after the House narrowly approved an amendment that limited its impact to emergency situations. (WP)

Crackdown Is Set On Teenage Crime

WASHINGTON — Convinced that a surge in the teenage population will translate into surging crime rates over the next few years, President Bill Clinton and congressional Republicans are proposing get-tough measures that would radically change the way the nation's criminal justice system treats young offenders.

Under Republican-sponsored legislation that the House began considering Thursday, defendants as young as 13 could be prosecuted in adult courts for violent crimes and serious drug offenses. Juvenile criminal records would also become detailed, permanent and public under the proposed law, removing the secrecy provisions that have traditionally guarded criminal proceedings involving minors. (WP)

Quote/Unquote

Senator Jesse Helms, the conservative chairman of the Foreign Relations Committee who has attended countless classified Pentagon briefings, on why he is trying to overhaul the system for creating and declassifying official secrets: "We were informed in great detail of everything that was in the New York Times and The Washington Post that morning. We couldn't talk about it — because it was classified." (NTT)

Away From Politics

• A 22-year-old man who was convicted of murder and asked a court to schedule his execution was killed by injection in McAlester, Oklahoma. Scott Dawn Carpenter became the youngest person to be put to death in the state since capital punishment was reinstated in 1976. (AP)

• Garry Kasparov, the world chess champion, and IBM's Deep Blue computer, remained tied at two points each after playing to a draw in the fourth game of their six-game series. Mr. Kasparov offered the draw after the computer made its 56th move and the machine immediately accepted. (AP)

• More than four years after residents of the District of Columbia overwhelmingly rejected a referendum that would have established the death penalty, a majority now favors capital punishment for those who kill police officers, according to a Washington Post poll. (WP)

• Thieves who stole more than \$13 million worth of designer clothes, guns and cars at Kennedy Airport made a fatal mistake: They tried to pass the goods to a government sting operation. The undercover operation resulted in charges against 81 people, including employees of airlines and shippers. (AP)

A Creepy Reason for Asthma Attacks

By Warren E. Leary
New York Times Service

WASHINGTON — Researchers say a national study conclusively shows that an allergic reaction to cockroaches is a major cause of high levels of asthma seen in children in inner-city neighborhoods.

A five-year federally financed study conducted at eight medical centers in seven cities concluded, as experts had long suspected, that children are at high risk of asthma attacks if they are allergic to cockroaches and if their homes contain relatively large amounts of the insects' body parts and droppings.

These attacks result in uncommonly

high rates of emergency-room visits, hospitalizations, periods of breathing difficulty, missed school days and sleep-deprived nights, the study said.

"Our findings provide evidence that exposure to cockroach allergen has an important role in causing morbidity due to asthma among inner-city children," the researchers wrote in a report published Thursday in the New England Journal of Medicine.

"These results suggest that reducing exposure to cockroach allergen should be an important component of plans for the management of asthma."

Dr. David Rosenstreich, an allergy specialist at Albert Einstein College of

Medicine in New York and the senior investigator in the study, said researchers had known for decades that many asthmatics in cities were allergic to cockroaches.

"But this is the first study that systematically shows that if a person is allergic and is exposed to high levels of the cockroach allergen, the two risk factors come together to increase major asthmatic episodes," he said. "It proves what we suspected was really true."

The next step, he said, is to see whether something can be done to reduce exposure to cockroach allergens, which are proteins found in the insects' saliva, feces and remains.

Sexual-Abstinence Law Stymies States

By Tamar Lewin
New York Times Service

NEW YORK — A little-noticed provision in the revision of welfare laws passed last year that sets aside \$250 million to teach children about sexual abstinence has touched off a national debate as states try to decide how to use the money or even whether to take it.

To get the money, local governments must agree to teach, among other things, that sex outside of marriage "is likely to have harmful psychological and physical effects." To qualify, the programs must teach the virtues of abstinence and not the use of condoms or other contraceptives.

With only two months left to apply for the money, states are trying to figure out how to use it without undermining their efforts to teach safe sex.

Many are wondering whether it is worth taking the money at all, as they have to put up \$3 of their own money for every \$4 of federal help they receive.

"The limits on what you can say are so restrictive that we decided we could not use the money for classroom programs or anywhere else where there was face-to-face contact," Dora Mills, director of Maine's health department, said. "Youths might raise issues you couldn't address under the law."

In Connecticut, Governor John Rowland, a Republican, did not include any of the money in his budget. State Representative Mary Mushinsky, a Democrat who last year successfully pushed to add money for abstinence education to the state budget, said she had discussed the aid but had decided that "we ought not to pursue it if hand-cuffs come with the bill."

To be eligible for the money, the law says, a program's "exclusive purpose" must be to teach the "social, psychological and health gains to be realized by abstaining from sexual activity." Such programs, it says, must teach "abstinence from sexual activity outside marriage as the expected standard for all school-age children."

Some health officials said such language might make it difficult to respond honestly to all the questions that arose in a diverse classroom, where some students may be sexually active, some may be homosexual and some may have un-

wed parents. In several states, new coalitions of social-service organizations are lobbying to reject such language.

"We have come out flat-footed and four-square: This money's bad, and don't take it," said Joyce Walker-Tyson, deputy executive director at Advocates for Youth, a Washington group helping to coordinate the lobbying efforts.

She added: "Teen sexual activity has gone down slightly, and use of contraceptives has gone up. Why? Because kids make good decisions if they get good information."

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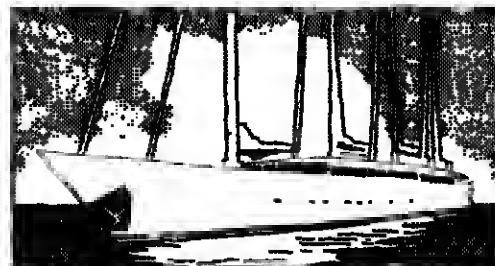
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ASIA/PACIFIC

U.S. Envoy's 2d Vietnam Landing

**A Former POW Returns as Ambassador
As Nations Seek to Overcome Suspicions**



Pete Peterson, who played a key role in restoring U.S.-Vietnam ties.

Compiled by Our Staff From Dispatches

HANOI — A former American pilot who was shot down over Vietnam's Red River delta in 1966 and held for years in the infamous "Hanoi Hilton" prison arrived here Friday as the first U.S. ambassador to Vietnam since the war ended more than 22 years ago.

Pete Peterson, whose posting was delayed by domestic politics and legal wrangling, is to land at Noi Bai Airport. But while the event may be recorded as a milestone in relations between the former foes, the symbolism of his arrival is likely to go largely unnoticed outside government, business and media circles.

More than half of the 77 million Vietnamese are too young to have any memory of the war that tore their country apart.

Even the villagers who caught Mr. Peterson when his parachute landed him in a mango tree in 1966 expressed surprise at the fuss over his return.

"The war is ended," Nguyen Dang Sinh, 70, said. "The past is closed. I don't have much to say."

Since ties between the United States and Vietnam were normalized in July 1995, progress in relations has been painstakingly slow. Diplomats on both sides concede that their biggest tasks are restoring confidence and overcoming suspicions.

"Peterson's arrival will definitely help matters," the Vietnamese ambassador to Washington, Le Van Bang, said this week as he prepared to depart for his assignment. "It's a very good thing."

Mr. Peterson is seen by many here as the ideal man to help Washington and Hanoi overcome their differences over the war.

"With his background, he will have a forum whenever he chooses to speak either to the Americans or Vietnamese," said Sesto Vecchi, an American lawyer who practiced in Saigon during the war and returned to the city, renamed Ho Chi Minh City, in 1994.

But some in Washington refuse to forget the war in which 3 million Vietnamese and nearly 58,000 Americans were killed. The bitterness caused the wrangling in Washington over the appointment of an ambassador.

Mr. Peterson played a key role in restoring diplomatic ties with Hanoi in 1995, after Washington lifted an economic embargo on Vietnam the previous year.

His priority is furthering the efforts to account for the 2,124 Americans still listed as missing-in-action in Indochina from the war, 1,585 of them in Vietnam. The remains of downed planes and helicopters have been largely destroyed by time and the tropical environment. Nonetheless, the search goes on.

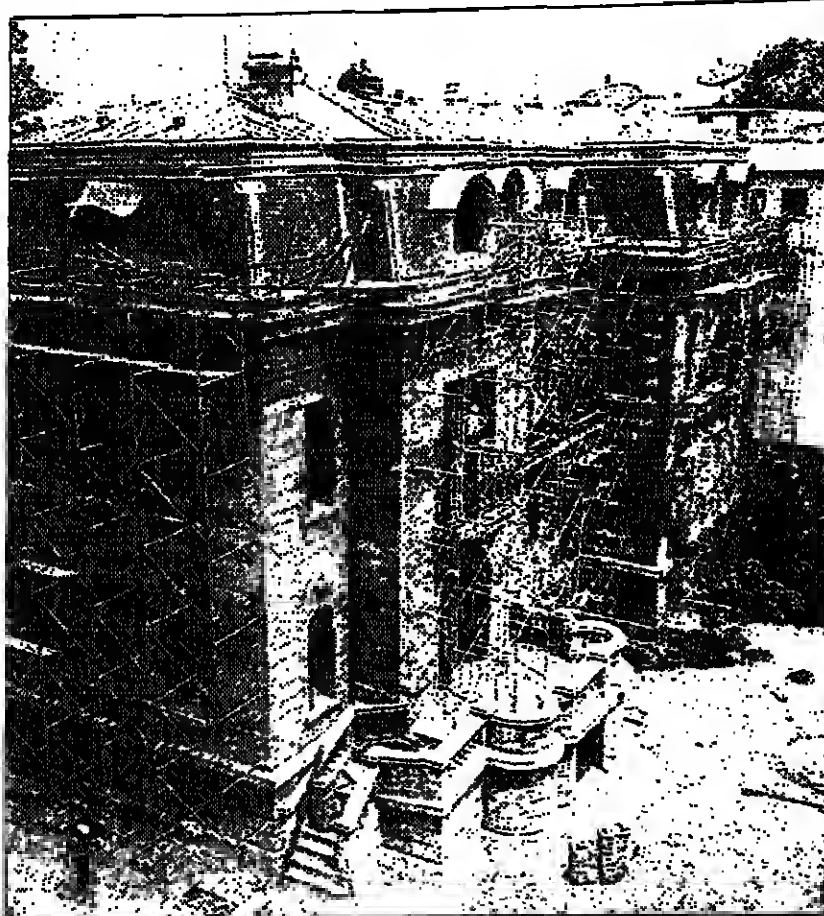
But Mr. Peterson is also expected to oversee new achievements in relations, particularly in economics and trade.

Last month, the two countries signed a copyright accord, a minor step toward the goal of achieving a full-trade agreement, which would lead to most-favored-nation trading status for Hanoi.

But Mr. Peterson's arrival comes at a time of what some analysts say are increasing signs of a hands-on approach by Washington toward Asia.

Last month, the United States announced sanctions against Burma. On Tuesday, Rear Admiral Michael Haskins, commander of the U.S. Navy in Japan, told a defense conference in Singapore that one of the roles of the United States was to "deter the rise of any hegemonic power or coalition" in the region.

Mr. Peterson is expected to reside temporarily in the former home of the U.S. chargé d'affaires, Desaix Anderson, who left Hanoi this week. He will move into a French colonial villa in the heart of the city when renovation work is completed.



The ambassador's residence undergoing renovation Thursday in Hanoi.

Afghan Warlord Profits by Defiance

Agence France-Presse

MAZAR-I-SHARIF, Afghanistan — This northern Afghan capital is proving a potent symbol of defiance for the Islamic purists of the Taliban movement.

The strategic city is controlled by Abdul Rashid Dostum, a former general under the Communist regime, whose large northern fiefdom has so far eluded capture by his southern ultra-fundamentalist Islamic rivals.

But despite the relative calm here, General Dostum's forces — in league with soldiers of the former government — are fighting a bloody war against the Taliban, for what officials say is more than just land-grabbing.

"The only power in Afghanistan moving in parallel with the evolution of the world is the northern alliance," General Dostum's spokesman, Mohammed Yousif, said in an interview.

He said General Dostum's fiefdom was the last refuge for intellectual Afghans, hundreds of whom fled here from Kabul when the capital was seized by the Taliban in September last year.

"The Taliban are returning to the Middle Ages," Mr. Yousif said, referring to the militia's strict imposition of Islamic law in the two-thirds of Afghanistan under its control.

Alcohol is openly on sale here. Hindu actresses on movie flippers are "naked"

by the standards of the Taliban, which has banned films, music and pictures of living creatures as part of its vision of a pure Islamic state.

Gambling in the pool halls would spark a Taliban crackdown, and imported beer and Russian vodka in the shops would meet a fate similar to Kabul's stocks — crushed under a tank late last year.

Earlier this year, residents of this stronghold were alarmed when the Taliban opened an offensive north of Kabul, but three months later the city appears to have regained its confidence.

General Dostum hewed up the Salang highway, blocking direct access north from Kabul, and his Shiite Muslim allies have so far managed to block a Taliban attempt to bypass the crucial road link.

Holding off enemy forces in the northwest, and now sealed in his economically self-sufficient territory, General Dostum is shifting his anti-Taliban rhetoric to open hostility.

"We decided that if the Taliban insist on fighting, our strategy would

change from defensive to offensive," Mr. Yousif said.

He said the alliance was planning to launch a coordinated attack against the Taliban later this year, to push the militia out of Kabul and "back to where they came from," the refugee camps of Pakistan.

That is unlikely. Not only is the Taliban a potent fighting force, but General Dostum has succeeded in establishing a lucrative fiefdom here. And whether he is ready to risk it all for a smashed Kabul remains to be seen.

Mazar-i-Sharif is thriving. Music stores blare popular songs from their doorways, and television and video movies are unrestricted. While the Taliban has banned women from work and education, women here go unfettered by the veil and can mix with men at offices and schools. General Dostum even runs an international airline.

And the city boasts more foreign diplomatic missions than Kabul; the Taliban has yet to be recognized by a single nation as the government of Afghanistan.

Pyongyang's 'Robust' Military

U.S. Suspects Generals of Obstructing Peace Process

Agence France-Presse

TOKYO — The North Korean military seems to have gotten a stronger grip on the country, and this could explain why the Stalinist state is refusing to join Korean Peninsula peace talks, a U.S. official said Thursday.

Army officers seem to be "more influential now," said the official, speaking a day after talks with counterparts from Japan and South Korea on the situation in the North.

"We know that they had a fairly robust winter training," more so than the previous one, the official said. "It suggests that for some reason they decided to return to what has been the normal level of spending those resources on military training."

The North Korean leader, Kim Jong Il, named 123 generals in mid-April, a move seen as paving the way for him to formally take power.

But the U.S. official emphasized that the military's greater strength was only one theory and that the Clinton administration did not know the reason for North Korea's reluctance to join talks with South Korea in which the United States and China would take part. "It is

not a transparent situation," he said. "Time is very much running out for North Korea."

He warned that the country was becoming "volatile because of the food situation." But he added that Washington remained ready to hold talks with Pyongyang's representatives and was "hopeful" that the North would eventually join peace talks.

North Korea held talks last month in New York with U.S. and South Korean officials on the proposal for peace talks, but the North refused to join. It is demanding greater international food aid before giving a firm answer.

Ryozo Kato, head of the Japanese Foreign Ministry's Asia bureau; Yu Myung Hwang, head of the South Korean Foreign Ministry's North American bureau; and Charles Kartman, acting U.S. assistant secretary of state for Asia-Pacific affairs, took part in the meeting Wednesday in Tokyo.

They all agreed that the food crisis in North Korea was acute. But Japan reaffirmed its reservations about increasing humanitarian aid to the North, Japanese government sources said.

BRIEFLY

Tokyo Recognizes Indigenous People

TOKYO — Parliament enacted a law on Thursday that recognizes the country's Ainu minority as Japan's original inhabitants.

"For the first time, the Ainu people are recognized as our country's indigenous race under Japan's legal system," said Tatsuya Hori, governor of Japan's northern main island of Hokkaido.

The unanimous passage of the law by the lower house followed a precedent-setting court ruling in March favoring Ainu land rights and Prime Minister Ryutaro Hashimoto's recognition of the Ainu as Japan's indigenous people. He was the first prime minister to take this step.

The United Nations recognized the Ainu as a native people in 1992, but they still face job discrimination in Japan. (AP)

Gandhi Gives Lift To Congress Party

NEW DELHI — Sonia Gandhi, the Italian-born widow of the former prime minister, Rajiv Gandhi, joined his Congress (I) Party on Thursday, giving a boost to the embattled organization.

"By becoming a primary member, she has joined hands with millions of Congress workers," the party's president, Sitaram Kesri, said at a news conference.

Since her husband's assassination in 1991, Mrs. Gandhi, 50, had spurned repeated offers to enter politics. But she enrolled in late March and her membership was finalized on Thursday, party officials said.

Mrs. Gandhi is seen as a galvanizing force in the Congress Party, which has been hit by a series of scandals. (Reuters)

Hong Kong Plans For Tiananmen

HONG KONG — Hong Kong activists who are planning protests in June to mark the anniversary of the Tiananmen Square crackdown in 1989 vowed on Thursday that the colony's handover to China would not stop the commemorations.

"We will still hold the gathering even if they ban it," Szeto Wah, a veteran protester, said at a news conference.

He said the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China planned to hold its traditional candlelight vigil on June 4 in memory of those who died when Chinese troops and tanks crushed the student-led movement around Tiananmen Square in Beijing eight years ago.

China is taking over Hong Kong on July 1. (Reuters)

3 Taiwan Ministers Suddenly Resign

TAIPEI — Three Taiwan ministers resigned on Thursday, increasing pressure on the government ahead of an expected cabinet reshuffle next week.

Ma Ying-jeou, minister without portfolio, Interior Minister Lin Feng-cheng, and Tjau Mau-ying, chairman of Taiwan's Council of Agriculture, handed in their resignations to Prime Minister Lien Chan.

The resignations caught Mr. Lien's administration by surprise. Next week it is expected to announce a cabinet reshuffle in response to public anger over rising crime. (Reuters)

BOOKS

ONLY TWICE I'VE WISHED FOR HEAVEN

By Dawn Turner Trice. 304 pages. \$23. Crown.

Reviewed by Jabari Asim

YOU could say Dawn Turner Trice's debut novel is about a hard-working Chicago family that learns that upward mobility is seldom achieved without paying some kind of emotional toll. Or you could say it's about systematic racism, class conflict and the death of innocence. Finally, you could say "Only Twice I've Wished for Heaven" tells the story of two beautiful little girls who want desperately to fly.

None of those descriptions does justice to Trice's story, which includes all of the above and much, much more. The novel revolves around three people: Johnnie Louise Goodings, Tempest Saville and Valerie Nicholae.

Their tale begins in 1975, when Tempest and her parents move from a modest, comfortable bungalow on Chicago's South Side to Lakeland, an enclosed high-rise community built especially for the Windy City's burgeoning black middle class.

Lakeland has a full-time security force to guard its golf course and Olympic-size swimming pool. Newspaper reports extol Lakeland as an idyllic community, but Tempest and her mother see the development as a gilded cage just spitting distance from rat-infested tenements and lacking the warmth and familiarity of their former home.

Eleven-year-old Tempest longs for the days when her cabdriver father moonlighted as a neighborhood activist, distributing pamphlets and organizing meetings. In the evening he returned home to read to his daughter from Emerson, Du Bois, Merton and Tolstoy. But night school has transformed Thomas

Saville from a cabdriver to a teacher, a by-the-books striver seemingly obsessed with "proper" behavior, textbook English and patent leather shoes.

Convinced she will never fit in at Lakeland Academy, where the robotic, snooty children are groomed from birth to attend "Morehouse, Spelman, Harvard or Yale," she befriends a fellow outcast: Valerie Nicholae, a moody, spirited girl who rarely attends school more than twice a week.

The girls' destinies become forever entwined with Johnnie's when Tempest wanders into O'Call's Food and Drug, Johnnie's hole-in-the-wall emporium located on the other side of the fence that protects Lakeland from the surrounding ghetto.

O'Call's squats alongside 35th Street, a squalid, muddy rut of a road so forbidding that "even the city had wanted to forget it was there."

Having gained access to 35th through a half-hidden, little-used gate, Tempest quickly becomes fascinated with the sordid scenes unfolding atop its grimy ground. A 59-year-old woman named Johnnie takes an instant liking to Tempest. Thoroughly knowledgeable of both the danger and allure of 35th Street, Johnnie resolves to protect Tempest from its sugar-tongued predators. "Me and the regulars would keep a watch over her. Because I wasn't gone let no nobody lay his hands on Child."

TRICE's portrayals of Johnnie and her "regulars" — a quartet of grumpy old men named Hump, Chudin, Fat Daddy and Judd — are brilliantly drawn. Her scenes inside the tiny store are among the many that separate this urban fable from others and inspire adjectives such as "remarkable" and "first-rate."

Every detail Trice provides is a telling one, endowing her characters with attributes and idiosyncrasies that make

them both credible and likable. The under-the-hill, for example, wears an outdated seersucker suit, constantly puffs on a huge cigar and, almost completely blind, fiddles with the knobs on his beloved old AM radio. The 22 he keeps concealed on his person "starts the day tucked into his pants," Jonetta reports, "but by late afternoon it done slid off his puny hip down to his boot."

Each of these men has lived hard and fast, but their immoral days are long past. Now they are joined by a common sense of pride and an abiding love for Jonetta.

The object of their affections is a fearless, time-tested woman whose only child, a girl, died minutes after being born.

Tempest's entrance into Johnnie's life stirs old memories and maternal yearnings. It also triggers a series of events that could spell danger for Tempest and Valerie, whose troubling behavior suggests the possibility of abuse.

Jonetta's premonitions are confirmed when Essie, her long-dead sister, visits her in a dream. "A storm is coming," she warns, "circling right around Valerie and that other little girl." To reveal more of the story would diminish its devastating climax, toward which the plot moves at an irresistible pace.

Often first novels are rough stones with just enough sparkling facets to indicate nascent talent. Trice's first effort, on the other hand, is a polished gem. Occasionally she takes on Lakeland's flawed, ambitious denizens with too broad a brush and too heavy a hammer, bludgeoning when a subtle jab would be more effective. Viewed as a whole, though, the work is a genuine delight. Trice is reportedly at work on a second novel. I hope she doesn't make us wait too long.

Jabari Asim is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

ONE of the rarest opening bids in bridge is four o Trump, and when it does occur it can easily generate a misunderstanding. Half a century ago it was used to mean a very powerful balanced hand, with perhaps 28 high-card points. British players then introduced the idea that the bid should ask partner to show an ace. Five clubs denies an ace, and other bids show the ace of that suit. There are two modern interpretations involving the minor suits: Two very long minor suits, or one very long minor suit with slam interest.

Even expert partnerships

are liable to forget, in the heat of the battle, on which of these interpretations they have agreed, perhaps years earlier. The diagrammed deal caused great amusement at the 1995 Marlboro World Championships in Beijing. Except to East-West.

North and South were Daniela von Arnim and Sabine Auker, the anchor partnership of the German women's team, which won the gold medal. Auker decided that she wished to play seven hearts if her partner held the spade ace, and six hearts if she did not. Unfortunately, her partner had a different recollection of the partnership agreement. As far as she was concerned, the bid

asked for a minor suit, and she dutifully bid five diamonds. Auker now placed her partner with the diamond ace, a useless card, but bid six hearts anyway; there seemed a fair chance of losing just one spade trick.

Von Arnim now knew that something had gone wrong, and Auker reached the same conclusion when the spade ace was led and the dummy appeared.

But now the North-South confusion spread to West. What was the meaning of her partner's spade jack on the first trick? She decided to play the diamond ace, since a diamond loser in the South hand might disappear on dummy's spades. South hap-

pily claimed her slam, and East, who had liked the lead, was deflated.

North (D)
♠ A 8 4 3
♥ 8 3
♦ K J 7 4
♣ J 3

West
♠ A 2
♥ A 5 4
♦ A 8 5 2
♣ 10 8 6 5 4

East
♠ J
♥ Q 7 6
♦ Q 10 8 6 3
♣ K Q 8 7 2

South
♠ K Q 9 7 5
♥ A K Q J 10 8 2
♦ —
♣ A

North and South were vulnerable. The bidding:
North East South West
Pass Pass 4NT Pass
Pass Pass 6♥ Pass
West led the spade ace.

Harry's

Est. 1911, Paris
"Sank Roo Doe Noo"

A Space for Thought.

CROSSWORD

ACROSS

1 Lived it up
10 Wedge-shaped insects
15 Too keen
18 Site of two of the Ancient Wonders

17 Ace

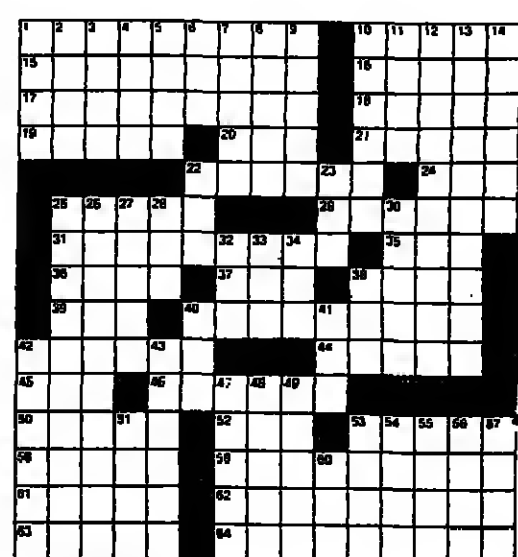
18 Stag
19 Put — base
20 Ties
21 Third rock from the sun
22 Toward the end
24 Rap's Dr. —

25 Marching band instruments

26 Octets
31 Italian count
32 Access Balm
36 Commando's outing
37 He was Amin guy
38 Crale component
39 CNN parent co.
40 Partner
42 Spoiled rotten
44 Hungry
45 It's equal to 100 ergs per gram
46 Deeply personal
50 Ford's lobby?
52 First name in coaching
53 "— Andy Warhol" (1995 movie)
58 Buddha's birthplace
59 Discordant
61 Herd
62 Mesmerized
63 Sandburg's "lovely" summer flower
64 Called into question

Foreign assembly

8 Ontario's — Canal
10 Certain home improver
11 Ring dance
12 Excessive
13 Was unkind to
14 Casements
22 Sheq's alma mater
23 Really big shoe
24 Hudson's Bay Company, e.g.
26 Poorly situated
27 Impose
28 Rough of the Reds
30 Riscio alternative
31 It may block the Rhine
33 Fall sports stats
34 "Wild Orchid" locale, 1990
36 Fall from grace
40 Author Rand
41 Orator's cry
42 Rhode's master
43 Rudder attachment
47 Frenzied



© New York Times/Edited by Will Shortz.

Solution to Puzzle of May 8

HOISTS I HAD JAB
MANTRA NAVE ADD
ORDAIN TIGRUS
LARK PET POKES
BRAVEMARTINER
LUNE OVL ENERO
ABED VIE EDMOND
SIX RENARDS YER
TEPEES GAL MADE
SOTTO UTE ALGA
VANKEEDODGER
SMAM RIR VIT
METANGEL CIGARA
ERA ELLA ATRIAL
WED ROLLY TIENTIS

Blair Male
His Bold
Have you been
today?

EUROPE

Blair Makes No Secret Of His Bold Program

By Fred Barbash
Washington Post Service

LONDON — The Labour government signaled Thursday that it would move swiftly to carry out its campaign pledges, including consideration of the country's first "freedom of information act" and its first laws regulating campaign fund-raising by political parties.

The legislative program of Prime Minister Tony Blair, scheduled for formal presentation Wednesday by the Queen, will include roughly 17 to 20 proposals, officials said after the inaugural meeting of the Labour cabinet. The agenda is unusually ambitious for a fledgling government, or for any government in recent years.

The program, to be carried out over the next 17 months, will most likely include a reordering of education spending to reduce class sizes for pre-school and primary education, a new "welfare to work" regime for recipients of state benefits, a management reorganization of the National Health Service, imposition of a system for setting a national minimum wage and machinery for referenda on decentralization of some legislative authority from the capital to Scotland and Wales.

All were promised in the campaign platform that helped Mr. Blair and the Labour Party win a landslide victory in the May 1 general election, ending 18 years of Conservative Party rule.

Among the greatest changes to government would be enactment of a freedom of information act, creating by law a right of access to official documents comparable to the federal Freedom of Information Act in the United States.

While no immediate legislation will be proposed Wednesday, according to a Downing Street spokesman, Mr. Blair will broadly outline his ideas and order a formal study of the scope of such an act. Britain is among the most secretive of Western democracies — with little legal obligation to provide information to anyone on any subject and a traditional inclination not to.

Similarly, any campaign finance proposals applied to Britain's political parties will go beyond current law, which restricts spending for individual House of Commons candidates but leaves the serious campaign spenders, the parties, free to take any amount of money from any source without disclosure. The new administration has said it favors a ban on contributions from foreign sources, who have tended to



BACK TO WORK — Cherie Blair, wife of the new prime minister, waving on Thursday outside London's High Court of Justice, where she donned wig and gown to resume her profession as a barrister. Mrs. Blair, 42, is a specialist in public and employment law.

make large gifts to the Conservative Party, and a disclosure requirement for contributions above £5,000 (\$8,000).

Because of Labour's majority of 179 seats in the Commons, Mr. Blair should encounter little difficulty passing these measures. The exact plans for the overburdened, increasingly expensive National Health Service — the government run health-care system — are unclear. Before the Conservatives took power, the health service was operated essentially as a vast single agency.

The Tories decentralized the health service, creating a system of individual jurisdictions that are run as if they were independent businesses, purchasing supplies and services on a competitive basis. Labour argued that the reforms resulted in a mass layoff of medical staff and a mass hiring of managers, swallowing more than \$2.5 billion annually. Mr. Blair promised to eliminate the system, using the savings to provide medical care and reduce long waiting lists for many forms of treatment.

Giscard Urges New Policy If Right Wins Election

Reuters

PARIS — Former President Valéry Giscard d'Estaing has urged President Jacques Chirac to shift to bolder, simpler policies after the parliamentary election and hinted he should not reappoint Prime Minister Alain Juppé.

In an unusually blunt interview on France 2 television on Wednesday night, Mr. Giscard d'Estaing, a centrist who was president from 1974 until 1981, disclosed that he had advised Mr. Chirac against dissolving Parliament, encouraging him instead to do a better job of governing.

On dissolving Parliament, Mr. Giscard d'Estaing said, "He asked my opinion and I advised him against it."

"I told him, in effect, that he was taking a big risk, since the debate would soon focus on the way in which France was being governed," he said, "and that most of the French people were unhappy with the way in which they were being governed."

"Under these conditions, it would have been more logical to first try to change the way they were governed."

With that decision now behind him, Mr. Chirac's message to voters should be that the center-right, if kept in power, would shift directions and pursue simpler and bolder policies, Mr. Giscard d'Es-

ting said. Mr. Chirac shook the French political landscape last month in calling a sudden two-round parliamentary election for May 25-June 1, 10 months ahead of schedule, despite his government's huge majority in the National Assembly.

Since then, polls have shown the left growing stronger and coming within striking distance of pushing the current government out of power.

Mr. Juppé, who is leading the government campaign, lashed out at the opposition Socialists on Thursday amid signs of unease in his coalition as the left seizes an upset victory.

Mr. Juppé sent the Socialist Party leader, Lionel Jospin, expected to publish an article in French newspapers on Friday, four questions he said everyone was asking about Mr. Jospin's program. The questions concerned taxation, immigration, Communist participation in government, and privatization.

"How will you finance the Socialist program without considerably raising the taxes of each French person?" Mr. Juppé asked.

Mr. Jospin says he can avoid tax increases with a program that includes creating 700,000 jobs and cutting working hours. He also said he would not impose extra austerity if needed to meet budget deficit targets for the euro.

Death of a Tory MP May Give Hope to Defeated Defense Chief

The Associated Press

LONDON — In a new blow to the Conservative Party, one of its diminished band of legislators died Thursday, a week after the Tories were routed in the general election by the Labour Party.

The death of Sir Michael Shersby, 64, who held his west London suburban district of Uxbridge by just 724 votes in the Labour landslide, raised the prospect of more humiliation for the Tories in a by-election. Sir Michael's majority had been a comfortable 13,179 votes in the 1992 elections.

Uxbridge, however, could be the best chance for Michael Portillo, one of former Prime Minister John Major's seven defeated cabinet ministers, to return to the House of Commons. If he can win a seat in Parliament, Mr. Portillo would then be eligible to run for party leader.

Mr. Major is stepping down from the leadership and a contest for his replacement is expected in July.

Six former cabinet ministers among the party's 164 legislators now left in the 659-member Commons have announced that they are candidates.

The cause of Sir Michael's death was not announced.

BRIEFLY

Bosnian Serbs Rebuff Kinkel

SARAJEVO, Bosnia-Herzegovina — A top Bosnian Serb official refused to meet Thursday with the German foreign minister, crimping his mission to speed the pace of reconciliation in postwar Bosnia and return hundreds of thousands of refugees.

Foreign Minister Klaus Kinkel had come to Sarajevo with representatives of the European Union to urge the country's joint presidency to work harder on carrying out the 1995 Dayton peace accords.

The diplomatic slap in the face ostensibly was prompted by Serbian dissatisfaction with seating arrangements at a meeting between Mr. Kinkel and the Serbian, Croatian and Bosnian Muslim members of the presidency. It demonstrated the obstacles faced by the international community in trying to ride herd on the accords, which are meant to heal ethnic divisions in a country that is still seething with distrust after three and one-half years of war.

The peace accords foresee freedom of movement, but the realities are different. Serbs, and to a lesser degree Croats and Muslims, continue to prevent refugees from returning to their homes. On Wednesday, a crowd in a Croatian-controlled town in western Bosnia attacked three Serbian refugees on a UN-organized trip to their hometown.

Alexander Ivanko, UN spokesman in Sarajevo, said the beatings showed "that the local authorities in Drvar are not trying in any way to stop the harassment of ethnic minorities and to stop the harassment of refugees." (AP)

Herzog Calls for Stronger EU

AACHEN, Germany — President Roman Herzog of Germany urged Europeans on Thursday not to underestimate the dangers of what he called re-emergent nationalism, saying it could be contained only by embracing European integration.

Mr. Herzog, who received the Charlemagne Prize for promoting European unity, said he understood the apprehension among citizens of the European Union about giving up their currencies and allowing the transfer of more power to Brussels. He urged them to be "Euro-critics" who recognize the problems but support integration.

"If we want to prevent the conflict scenarios predicted by the 'Euro-skeptics' evolving into self-fulfilling prophecies, then we must not cede the field over to those prophets of doom," Mr. Herzog said.

The specters which stalked Europe in the 1930s have not been banished for all time. Everywhere they seem to be re-emerging and we must drive them back again by all the means at our command." (Reuters)

Doubt Is Cast on Albania Vote

TIRANA, Albania — President Sali Berisha asserted Thursday that "rebel communists" in the south of the Balkan state were an obstacle to free elections and he called on European monitors to go and look for themselves.

Following a meeting with Franz Vranitzky, who is an envoy of the Organization for Security and Cooperation in Europe, he said that once the monitoring groups reported then all parties should declare an election date.

Mr. Berisha's stance appeared to be a further obstacle in the way of early elections, which were approved by all Albanian parties in March. Mr. Vranitzky did not comment after the meeting with Mr. Berisha. (Reuters)

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Unione di Banche Svizzere



União de Bancos Suíços

Union Bank of Switzerland
Union de Banques Suisses
(Canada)

Unión de Bancos Suizos



UBS

スイス・ユニオン銀行
Union Bank of Switzerland

INTERNATIONAL

ISRAELIS: Rights Groups Criticize 'Torture'

Continued from Page 1

is to all the attacks, is that the government has no option but to take extraordinary measures against the Arab militants who imperil Israel.

"The need to combat the plague of terrorism is a matter vital to this discussion and cannot be ignored," Nili Arad, director-general of the Justice Ministry, told the UN committee.

The ministry asserts that the General Security Service, the secret police better known as Shabak or Shin Bet, has foiled 90 planned attacks over the last two years, although the secrecy surrounding the interrogations has left it unclear what role coerced information played in those cases.

But at the hearing, Israeli officials said a bombing was averted in recent weeks by information obtained from a suspected militant who has complained of being tortured.

At the same time, Ms. Arad maintained Israel's stand that the permitted methods of "moderate physical pressure" are not torture.

Members of the UN committee — like Amnesty International, the International Committee of the Red Cross and various Israeli human rights organizations — insist that the Shin Bet's methods are indisputably torture as defined in international law.

And the conventions prohibiting it, they argue, exist precisely to protect detainees in extraordinary times, even in war.

"Israel is the only Western country that openly uses torture," said Lea Tsemel, a veteran defense lawyer and a founder of the Public Committee Against Torture in Israel. "This is not some brute in the secret services beating up a prisoner. It's done in the open. There is a quiet legitimation by a high-ranking commission and government ministers."

George, a tall, handsome and soft-spoken man who said he was studying to be a certified public accountant, described the ordeal at his house while his parents and younger brothers listened anxiously.

He said he was arrested in December 1995, shortly before Israeli forces were to withdraw from Bethlehem, his home. According to human rights monitors, waves of detentions and interrogations preceded each Israeli withdrawal, possibly to garner what information Israel could before pulling out.

George told how several times during the interrogation, a big, muscular Israeli "who gave his name as 'Major Itai'" and who spoke fluent Arabic with an Iraqi accent, seized him and violently rattled him back and forth, so that his head flopped uncontrollably, inflicting terrible pain to his spine and neck.

After two minutes, Major Itai would pause, then resume. After each session of shaking, of which he recalled seven, he was taken to a doctor, an Ethiopian Jew, to see whether he could take more. He remembers passing out three times, and once he had to be carried to the doctor. On that occasion, he said, the doctor gave him a Tylenol tablet.

Five days into the interrogation, George said that

Major Itai hung him from a bar in the wall by his shackled hands, causing enormous pain. He said he screamed, while Major Itai laughed and cursed, yelling: "You will die here!"

The questions were about George's purported contacts in the Popular Front for the Liberation of Palestine, a Marxist guerrilla organization that rejects peace with Israel and has headquarters in Syria; about the group's plans; about people he knew, and about unsolved militant attacks. George was not charged with membership in the group, which is illegal in Israel. Then, as now, George denied he had any such information or affiliation.

When he was not in interrogation, George said, he was held either in a dark room the size of a closet or shackled to a low chair tilted forward in the position known in Hebrew as "shabeh," which induces considerable pain to the back and does not allow more than snatches of sleep, with a foul smelling sack over his head and music blaring at top volume. Three times a day, he was given five minutes to eat and use the toilet, and once a week he was taken to a shower.

George said that he was visited by a Red Cross worker after 13 days, and saw a lawyer after 20 days.

The duration of the ill-treatment and its extent may differ, but the experiences recounted by George have been described by hundreds of other Palestinians in interviews and affidavits, and endured by many thousands. The exact number is not known, since the Israeli government does not give information on the number of Palestinian detainees subjected to formal interrogation by Shin Bet, and only a relative handful of cases have reached the courts.

Human rights organizations have estimated that about 5,000 Palestinians a year were subjected to some combination of ill-treatment or violent methods in the years before the signing of the peace agreements between Israel and the Palestine Liberation Organization 1993. By all accounts, the practice has continued unabated since.

But the domestic debate is not over the number, nor even the fact of the practices, which the Israeli government acknowledges. The dispute, rather, is over the fact that the entire Israeli security, legal, and legislative establishment — the secret services, the army, the Parliament and the courts — has effectively institutionalized the use of violence in questioning Palestinians.

The legal basis for the methods is the report of a commission appointed in 1987 to investigate assertions of torture by the secret services. That panel, the Landau Commission, came up with the revelation, stunning at the time, that the Shin Bet had for years used violent methods in questioning Palestinians, including "criminal assault, blackmail, and threats," and then had routinely lied about it to military courts.

But instead of banning such practices outright, the commission proposed legalizing "a moderate measure of physical pressure" in interrogations, and spelled out permissible techniques. The

details have remained classified, on the ground that detainees should not know what they face, even though pamphlets about the methods are readily available from human rights organizations.

Official Israeli justifications come on several levels. The first is that violent shaking, sleep deprivation, and the other techniques are not torture. Human rights organizations counter that the 1984 UN Convention Against Torture, which Israel ratified in 1991, defines torture as "any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person" to obtain information or a confession.

The next justification is that Israel faces a unique threat of terrorism, and therefore cannot be gentle with a detainee who may know of a "ticking bomb." Israeli shorthand for a violent militant act about to be committed.

"We are in a terror situation, bombs explode around us, we have to use force, and for this decision we pay a big price," Shai Nitzan, an assistant attorney general who represents the Shin Bet, said.



An Israeli honor guard getting set Thursday for the U.S. envoy's arrival.

U.S. Envoy Has Talks With Mideast Leaders

JERUSALEM — The U.S. Middle East envoy, Dennis Ross, held high-level talks Thursday in Gaza and Jerusalem on reviving Israel-PLO peace negotiations but appeared to make little headway in his rescue mission.

The issue that plunged the peace process into crisis, Jewish settlement on land claimed by the Palestinians, took center stage as settlers occupied a newly acquired house in Arab East Jerusalem in a move coinciding with Mr. Ross's visit.

Making his second trip to the region in a month, Mr. Ross met Yasser Arafat, the Palestinian leader, in Gaza and later held talks in Jerusalem with Prime Minister Benjamin Netanyahu. "I cannot tell you that I am optimistic," Mr. Netanyahu said to reporters before meeting the envoy.

Israel demands that Mr. Arafat crack down on Muslim militants blamed for bombings before resuming talks, a move Mr. Netanyahu said "would help the peace process."

Mr. Arafat's spokesman, Marwan Kanafani, said the Palestinian

leader stressed to Mr. Ross the need to stop all settlement activity before peace talks could resume. Mr. Netanyahu's aide, David Bar-Ilan, said the work would continue.

"There are difficult problems that have to be overcome, but we all realize the importance of trying to find ways to move forward," Mr. Ross told reporters in Gaza after meeting Mr. Arafat. Mr. Ross said he would hold talks again with Mr. Arafat on Friday.

Peace negotiations between Israel and the Palestine Liberation Organization broke down two months ago after Mr. Netanyahu gave the final go-ahead to build 6,500 houses for Jews on a West Bank hilltop Israel captured in the 1967 Middle East war.

On Jerusalem's Mount of Olives on Thursday, Jewish settlers moved into a house acquired for a Jewish religious seminary from a church.

"We don't negate the right of Arabs to live in Jerusalem but Jews have a right to live in all of the city," said Chaim Silberstein, the school's director. "As a yeshiva, we are not political."

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Panel Advises Telling Troops Of Exposure To Gas in Gulf

By Philip Shenon

CHARLESTON, South Carolina — Investigators for a White House panel have called on the Pentagon to tell troops they may have been exposed to Iraqi chemical weapons in the Gulf War.

The panel, the Presidential Advisory Committee on Gulf War Veterans' Illnesses, said Wednesday that its investigation showed that the Pentagon should tell troops they may have been exposed to chemical weapons in the Gulf War.

This is the second time the House panel has called for the notification of troops, who were in the vicinity of a possible release of chemical weapons after the Gulf War. In the other case, the Defense Department last year notified about 100,000 troops that they may have been exposed to a cloud of nerve gas after the war.

The number of soldiers who may have been exposed to the gas is unknown, but the panel said it could be as high as 200,000. The panel also said it found evidence that some troops may have been exposed to chemical weapons in the Gulf War.

While the Pentagon said Wednesday that it did not necessarily accept the panel's findings, it did agree to a hearing on the issue. The Defense Department officials said they would provide a report on the panel's recommendations to the House.

As the Presidential Advisory Committee on Gulf War Veterans' Illnesses, it sounds like the panel is not just a committee, but a real one. The panel's report is expected to be released in the next few weeks.

Although the panel is divided on the question of whether exposure to the gas caused the health problems, the panel has encouraged the Pentagon to provide medical care to the troops.

BRIEFLY

Lies UN Flight Ban

The Libyan state-owned newspaper Al-Naba' said Thursday that the UN flight ban over Libya was a lie. The paper said the UN had no authority to impose such a ban.

Prevents Aid for South

The Sudanese government has blocked aid to the South Sudan. The government said it was necessary to prevent the aid from being used to support the rebellion.

Exile Leader Is Ailing

Cuban exile leader Jorge Mas Canals is ailing. He has been in the hospital for several days. His condition is serious.

Stop for Chretien

The police detained a man who was driving a car. The man was stopped for a traffic violation. The police said the man was not a threat.

26 Police Officers

The highest military court has sentenced 26 police officers to prison. The officers were charged with human rights violations. The court said the officers were guilty.

Considered Healthy

Philippe Guenat, managing director for China-Hong Kong wine, said that the wine was considered healthy. He said the wine was made from high-quality grapes.

But Philippe Guenat, managing director for China-Hong Kong wine, said that the wine was considered healthy. He said the wine was made from high-quality grapes.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Unfinished Business

The bonest excavation of history can bring sobering discoveries, as the American government has now found in an examination of Nazi Germany's stolen gold and its redistribution after the war. No nation emerges unscathed from this investigation, including the United States, and many are disgraced. It is saddening but not altogether surprising to learn that morality and justice, especially the international obligation to look after the survivors of the Holocaust, were swiftly sacrificed to expediency when the gold was divided up after the war. Reminding this failure, as the report rightly notes, is the unfinished business of World War II.

The extraordinary inquiry, which involved the declassification of nearly one million pages of documents, was initiated by President Bill Clinton after Switzerland coldly refused Jews seeking to recover gold and other assets their families had deposited in Swiss banks before the war. Under the determined direction of Stuart Eizenstat, the new undersecretary of State for economic affairs, and William Slaty, a State Department historian, it touches on wartime economic collaboration with Germany but deals mainly with the anemic postwar effort to restore gold and other valuables to the nations and peoples from which they had been stolen.

Sweden, Portugal, Spain, Turkey and Argentina will want to take notice. The extent of their economic cooperation with the Nazis has been slowly unfolding in recent years, but Mr. Eizenstat makes clear they profited from their neutrality. Even as the threat of German invasion waned in the last years of the war, Sweden sold Germany iron ore and ball bearings, Portugal provided tungsten for steelmaking, Spain traded goods and raw materials and Turkey shipped chrome. Argentina defied efforts to prevent the transfer of German funds there from Europe.

Switzerland is properly singled out. Though helpful to the Allies as a base for spying, it served as Nazi banker, gold keeper and financial broker. Switzerland provided Germany with arms, ammunition, aluminum and agricultural products.

These countries made only a pitiful effort after the war to return the looted gold and other assets they received in payments from Germany during the war. Here America bears considerable responsibility. It led the postwar effort to recover and distribute the gold. Yet

only a small portion of the \$580 million in gold stolen from conquered governments, worth some \$5.6 billion today, was ever recovered. Even less of the millions of dollars in gold and other assets taken from individuals was returned.

Switzerland was aggressively unhelpful, resisting accounting and recovery efforts for years and not honoring agreements to liquidate German assets held in Switzerland. The American report estimates that as much as \$400 million in German-looted gold remained in the Swiss National Bank at the end of the war, but no more than \$56 million was returned.

The task of tracing and apportioning the gold and other assets was daunting, but American officials tolerated transgression by other nations and accepted pitiful restitution agreements in the name of Cold War solidarity. Eager to obtain access to an Azores air base in the 1950s, Washington let Portugal surrender only about one-tenth of the German gold it held at the end of the war. Spain eventually returned just \$114,000 in looted gold from a stockpile of \$30 million.

Turkey, which held \$44 million in Nazi assets and \$5 million in looted gold, made no restitution. Only Sweden paid up.

The victims of this dismal record were the survivors of the Holocaust and others left homeless and stateless by the war. Assets that could have been used to help them were never returned to the countries plundered by Germany. Worse still, gold and other valuables found in Germany that had been seized from millions of individuals and households mingled with assets stolen from European governments by the Nazis. As a result, gold that should have gone to help individuals through relief and compensation programs ended up in European and American government vaults, where some remains today.

These matters remained too long obscured from public view, shielded by excessive secrecy and national pride. It is late to redress the wrongs, but every effort should now be made to return gold and other assets to those with a legitimate claim. Switzerland, after long delay, is finally making an effort to trace and return assets deposited before the war. Mr. Eizenstat and Mr. Slaty have performed a huge public service by digging for the truth.

—THE NEW YORK TIMES.

Meetings in Mexico

What the United States wants from Mexico is not just agreements on disruptive issues in drug trade, finance, drugs and immigration, although these are essential national priorities on both sides. The real purpose is to add a useful continuing, if modest, increment to Mexico's own capacity to govern. That government's powers are antiquated, unresponsive and severely burdened by the problems of the country. Whether President Bill Clinton provided this sort of help on the Mexican stop of his hemispheric trip is hard to measure. But in word and gesture, he made an earnest effort to set a positive tone for the Mexican-American relationship, and his host, President Ernesto Zedillo, did his share, too.

Mr. Clinton's approach to the explosive drug issue was typical. His goal was to move it from confrontation to partnership in order to spur a tougher assault on supply and transit by Mexico and on consumption by the United States. Hence his call for a joint drug-threat assessment and his admission of the American responsibility for generating high drug demand. It is charged that Washington has hesitated to invoke the full rigors of the one-sided certification process against a country whose cooperation and goodwill are needed across a range of difficult issues. The charge is accurate, but there was good reason for the U.S. government to hesitate. Now it falls to the two governments to improve the anti-drug results.

Of Mr. Clinton's symbolic affirmations in Mexico, none was more important than his calls — an American president's first — on the political opposition to the PRI, the party that has ruled for 68 years. The PRI's immobility and corruption are legend. Mr. Zedillo is at once its creature and its would-be reformer. He is coming up to Mexico's midterm elections on July 6 as the champion of change in the political culture. But serious change of the

sort that will promote openness and accountability is best nailed into place not by reform from the top but by political competition from below.

This was the message intended by Mr. Clinton's calls on the opposition. This is not a presidential year in Mexico. Thanks to President Zedillo, however, voters in the capital will be having their first crack at electing their mayor — the country's second most important political post. If it is Cuauhtémoc Cárdenas, Solórzano of the opposition PRD, currently the leading contender, he will be making history.

—THE WASHINGTON POST.

Other Comment

Hope for Ulster

Britain's newly elected Labour government has moved quickly on the Northern Ireland question, raising hopes that the stalled peace process will be resumed. The new Northern Ireland secretary, Marjorie (Mo) Mowlam, already has ordered a series of measures intended to restore confidence in the process, wounded by hardball politics and the violent opposition of the Irish Republican Army.

She has committed the government to reform the Royal Ulster Constabulary, the police department of what remains a British province. Her aim is to ensure fair treatment for all citizens, Catholic and Protestant. Another promising sign is Tony Blair's strong Labour majority in Parliament, an advantage that should provide him the maneuvering room needed. On the Irish Republican side, Gerry Adams and his Sinn Féin party came out of the election slightly fortified. The question is whether the vote for Sinn Féin was a vote for peace and against IRA violence.

—Los Angeles Times.

CIA's 'Zipless Coup' in Iraq Is a Matchless Flop

By Jim Hoagland

WASHINGTON — The Central Intelligence Agency has spent six years and \$110 million trying to overthrow Saddam Hussein in the most expensive sustained failure in agency history. Iraq is the Bay of Pigs in unending free fall, with fresh humiliation looming around the corner.

The agency could not stop throwing money at the Saddam problem if it wanted to. Refusing to admit defeat, the White House orders this international embarrassment prolonged. The current covert operation, which will cost about \$5 million this year, has dwindled into an ineffective propaganda effort carried out by two Arabic-language radio stations in Jordan and Kuwait.

Senators who normally line up to rail at executive agencies for wasting taxpayer money have kept quiet on the CIA debacle in Iraq. The Senate Intelligence Committee passed up a golden opportunity to educate itself and the American public on Tuesday when it failed to probe the CIA Director-designate George J. Tenet about Iraq and cost-effectiveness in Mr. Tenet's confirmation hearings.

It is now up to Mr. Tenet, all but assured confirmation as America's top spy, to decide what to do about this continuing failure, in which he played a not insignificant role as a member of President Bill Clinton's National Security Council staff and then as deputy director of the CIA.

The story he could assemble would

rival any spy novel. Interviews in Washington and Europe with CIA personnel, Iraqi dissidents and foreign intelligence sources provide new insights into this colossal exercise in self-deception and factionalism within the agency.

Some Americans who worked in Iraq covertly now wonder whether the agency was a victim of an elaborate sting perpetrated by Mr. Saddam, who watched with a benign eye as the CIA funneled money and Iraqi military defectors into a Jordan-based exile group for two years before he effortlessly rolled up that organization and exposed its American roots last summer.

"The guys in Amman were promising us a zipless coup, telling us they had the silver bullet that would change Iraq," said an American who worked on the Iraq covert program. "They were put out of business in an afternoon, and a big U.S. investment just went up in smoke."

Despite that failure, the agency is set to provide \$4.8 million in covert funds to that group — the Iraqi National Accord or INA — again this year, according to its sources. But it will be less than that if Jordan's King Hussein yields to Mr. Saddam's increasingly insistent demands to shut down the agency-financed, INA-run radio studio and transmitter, which broadcasts as Voice of the Future.

King Hussein is known to feel badly burned by the INA fiasco. The agency pressured Jordan to provide facilities and high-level political support for the group's amateurish coup plotting and then left the Jordanians to suffer the political consequences.

The king's shutting down the station would be a final humiliation for the agency in an effort that was conceived and pursued in halfhearted fashion after George Bush and his generals declined to use military might to remove Mr. Saddam in 1991.

President Bush put up \$40 million as a down payment on Mr. Saddam's removal when he secretly ordered the agency to create the conditions for Mr. Saddam's downfall in 1991. Much of that money went to buy and move a clandestine radio transmitter from Croatia and to finance a London-based propaganda operation that turned out to be Baghdad newspapers, television films and radio broadcasts.

About 15 American contract employees worked in London to produce the expensive propaganda. At one point, the agency used an unmanned aircraft based in northern Iraq to drop anti-Saddam leaflets across Iraq on the dictator's birthday.

Within the agency, the Iraq operation was seen by some — including Frank Anderson, former head of the Middle East department — as a can of worms. These officers knew they would never get enough money or political support

from the White House to engage in an all-out war against Mr. Saddam.

That feeling was reinforced when annual funding was cut to \$20 million in late 1992, and then to \$15 million in 1994, after Bill Clinton came to the White House and adopted Mr. Bush's program in a memorandum of notification to Congress. Ambitious junior officers targeted the money on flashy projects that led nowhere but allowed the White House to pretend something was happening.

The agency has been used as "the last resort of failed policy" in Iraq by two administrations. Mr. Tenet used those words on Tuesday to describe something that he said would never happen to the CIA on his watch. He did not mention Iraq, but agency veterans knew what he had in mind.

It still is unclear how deep and how self-critical Mr. Tenet's assessment of the Iraq failure runs. He enthusiastically backed the INA "zipless coup" option when he became deputy director of the CIA, according to agency sources. If there was a Saddam sting, he was one of its principal victims.

The Senate is on the verge of giving Mr. Tenet one of life's rare chances to clean up a mess he helped make. If he does not take it and shape a covert program capable of producing change in Iraq, Congress should step in swiftly with its own investigation of a national humiliation.

The Washington Post.

A European Voice in the Debate Over Humanitarian Aid

By Emma Bonino

The writer is European commissioner for humanitarian affairs.

BRUSSELS — The dilemma facing those of us rethinking the issue of humanitarian aid looks different depending on the side of the Atlantic we are on.

Allow me to contribute a European point of view to the healthy, much-needed debate launched in these columns by J. Brian Atwood and Leonard Rogers of the U.S. Agency for International Development (IHT, March 12 and 13).

They write that the world will not reply to crises in peripheral states without U.S. leadership. Really? I do not believe Europe's humanitarian response to recent crises was delayed in anticipation of a lead from Washington.

But if by "reply" the authors mean "seek solutions," that is a different ball game, to use an American expression. It is a game I do not believe humanitarian actors should be playing.

Today, conflict rages in Eastern Zaire and elsewhere in the Great Lakes region of Africa. North Korea is starving, and the fate of Afghanistan as a nation-state grows increasingly uncertain. These are but some of the issues on our agenda.

Should we feed Rwandan refugees now deep in Zaire who took part in genocide in their country — or should we view their current predicament as rough justice for their terrible crimes? Is it wise for us to relieve North Korea's govern-

ment of responsibility for feeding its own people, even though that may enable Pyongyang to concentrate on military spending? Is it right to help the people of Kabul, disregarding the Taliban's record of gross violations of human rights, especially women's rights? Should the Italian government open the gates to all those fleeing unrest in Albania, despite hard evidence that the exodus of asylum-seekers is being managed by organized crime?

These questions reflect the growing complexity of issues that are testing the humanitarian community. Such issues are understandably confusing to the public. Doubts and uncertainties are beginning to erode support for humanitarian aid, which is why I wholeheartedly welcome a debate.

Yes, the world has changed — though not for the better. Yes, I agree the international community looks set to face a proliferation of micro-conflicts at regional and subregional levels. The root causes of such crises may be ethnic, religious, political, tribal. Unlike Cold War-era crises, these tend to develop unchecked unless and until they become a threat to global security or to major economic interests, or until they sufficiently rouse the public's conscience.

And yes, I agree the United States is the sole remaining superpower, and the only nation with truly global reach — though I find this frustrating. What I regret, as a federalist European, is the fact that European capitals seem to be resigned to life as a mere bunch of lesser military allies, and that the European Union is too hesitant about asserting itself as a partner on a par with the United States in the political and economic spheres.

Does U.S. global reach also entail global responsibility? That is what the Atwood/Rogers approach seems to imply. But the United States is and will remain a nation-state, however big and powerful. It will legitimately pursue its own national interests, values and geopolitical agenda before all else. Goals and priorities are bound to change depending on the government of the day.

Africa, traditionally peripheral in U.S. foreign policy, is an excellent example of a pattern of moving goalsposts. The United States used to be motivated by the containment of socialist ideology on the continent. This warranted backing the Mobutu and Savimbi, as well as keeping a cool distance from the socialist-inclined African National Congress of Nelson Mandela. President Ronald

Reagan, we may recall, vetoed sanctions legislation but was overruled by Congress. That is now history. Then came the containment of Islamic radicalism, which implied backing new leadership in Eritrea, Ethiopia and elsewhere.

Now there are new priorities. These include containing corrupt postcolonial regimes and fostering market economies.

Aid is about people, not governments, and should never be considered a part of any nation's foreign policy.

For me, the new generation of African leaders represents a positive change in a political landscape that is sometimes disheartening.

However, there are some things about them that are making me lose sleep. Many in this group of very articulate, reformist leaders — soon to be joined by Laurent Kabila — are allergic to multiparty democracy (with the exception of the Ethiopians). They seem to think respect for human rights is optional, and they resort to warfare with disturbing ease.

Africa illustrates my two main conclusions, crucial in

evaluating the new U.S. approach to humanitarian aid:

• U.S. foreign policy priorities will keep changing, depending on Washington's perception of where U.S. national interests lie at any point in time;

• Washington's priorities may not always coincide with, or be representative of, the prevailing analysis of the international community at large.

This is why I do not think it is appropriate to focus the argument on prescriptive guidelines for U.S. humanitarian intervention. Humanitarian aid should never be devised as a part of any country's foreign policy. I would certainly oppose the idea if European Union governments or institutions were to suggest it.

I agree that someone needs to find solutions for the fundamental causes of complex emergencies. But this should be the job of other actors, not those directly involved in humanitarian aid. Humanitarian aid is about people, not governments.

As for us, we must make sure relief reaches the hungry child whose only sin was to have been born in Sudan, in Cuba or in a refugee camp in Zaire. We must work hard to preserve what is left of the impartiality innate in the concept of humanitarian aid.

We must keep such aid available as a last resort for all human beings in need, wherever they are, whatever passport they hold.

International Herald Tribune.

New Hong Kong Boss Asks the West to Quit Rubbernecking

By Tom Plate

HONG KONG — When Tung Chee-hwa, the new boss of Hong Kong, settled his bearish body into his office sofa last Friday night for a long chat, he hadn't met with many Western journalists. But with apprehension about his true intentions growing both inside and outside Hong Kong, that reclusiveness looks finally to be ending.

His handlers seem oodles to accept that this 60-year-old shipping tycoon cannot, no matter how much Beijing might wish it, play peekaboo with the public and the media forever. So finally this jowly, animated, successful businessman, whose job is to bring the world's festive and most entrepreneurial circus under the dome "special administrative" tent of the People's Republic of China, is starting to step out.

Mr. Tung needs the world's understanding: he clearly is on a tightrope, with the 6.3 million people here praying he doesn't lose his balance. His recent proposals to modify statutory political rights, presumably put forth

at China's behest, have put the news media, if not the average Hong Konger, on red alert — and the rest of the world on the edge of its seat.

Mr. Tung emphatically insists that there is less to the new proposals than meets the eye and that their restrictions on political parties and street demonstrations may not even go into effect as currently written. Maybe, but despite Mr. Tung's warm style and unquestioned affection for Hong Kong, the truth is that the gap on human rights and press freedom issues between East and West is vast.

"I am not saying freedom is not important," he said. "It is. But the West just doesn't understand Chinese culture. It's time to reaffirm who we are. Individual rights are not as important as order in a society. That is what we are, and we will be what we are. We will be Hong Kong, and we must find our own way."

Mr. Tung clearly wanted to

leave the impression that we in the West have got to stop staring at this place like it's some Tiananmen Square disaster in the making. We're rubbernecking on the freeway of international relations, he suggests, trying to catch a glimpse of some blood-and-gore collision at the Hong Kong interchange. He has a point, but what's certain is that we do have to stop expecting Mr. Tung to act and sound like Thomas Jefferson (which he sure as heck isn't). Face the reality, folks: Hong Kong is soon to be China's. And if the West wishes to work with Mr. Tung, it must understand that on many issues, he will not just agree with Beijing because he has to but because, in his heart, he sees things that way.

To what extent, then, will he tolerate political street demonstrations, much less the pesky press? The question gets under his skin. Raising his voice, he dismisses the British, who, he charges, only got religion about individual rights recently, when the world spotlight began to focus on their long colonial stewardship over Hong Kong.

"The British? They're anti-Chinese and they have a total mistrust of China," Mr. Tung said. "So now I have to work very hard and prove to the world that we are going to be fine."

But if Hong Kongers aren't to have all the freedoms of Americans, will they at least have more than the Chinese? He thought hard, then answered: "In Hong Kong, we have a culture. To demonstrate is part of our culture, and so people demonstrate. We are Hong Kong, we are not Beijing. Of course there will be freedom."

Mr. Tung implies that his job as chief executive could become impossible if America and China constantly are at each other's throats. Arguing pas-

sionately that there are no truly major strategic fault lines between America and China, he deplores the commonplace Western view that all you need to know about the Chinese political system is what you saw on CNN broadcasts from Tiananmen Square on June 4, 1989.

"Americans need to realize that it's really quite unbelievable what is happening in China. The changes are just astounding," the Tiananmen massacre, he said, "is not going to happen again."

That surely would be a blessing for all concerned, especially for those taking orders from Beijing. I'm told that when Mr. Tung telephones China, either the president or the foreign minister picks up. Interesting, but when the bosses of Beijing answer, do they listen as well as

give orders? For in order for this historic giveback to actually work out well for everyone involved, at least two things must happen. Yes, the West must give Mr. Tung a chance to breathe; but, of equal importance, Beijing must give Mr. Tung a chance to be a Hong Konger and chart a path separate from the mainland's.

Obviously referring to that other "special administrative district" — Taiwan — that China would wish to gather under its untested "one country, two systems" formula, Mr. Tung noted sagely: "A successful Hong Kong is very important to China. It will make further unifications an easier job. It is in China's national interest to make Hong Kong work." No one could have put it any better.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Sound in Court

PARIS — The use of a graphophone as evidence in a court of law has not yet been established, although an effort was made in the U.S. Supreme Court. Anthony Sauer is suing the New York and Harlem Railroad Company because of the noise caused by the trains. The lawyers employed an expert who used three cylinders to get impressions of the sound caused by the running of trains on the graphophone. However, the judge said that the cylinders could not be used in evidence, as nothing had been introduced to show exactly what noises might come from them.

1922: German Greed

WASHINGTON — It was German greed for a Caribbean naval base which caused the United States to take over the management of affairs in Haiti, ac-

cording to former Secretary of State Robert Lansing. According to him, the establishment of peace and prosperity in the Republic and the blocking of German designs of aggression, which threatened the United States and the Monroe Doctrine, were the motives which caused the United States to act in island affairs.

1947: A Labor Defeat

PARIS — Nation-wide elections to name administrators of the new French Social Security plan showed that the Communist-dominated General Confederation of Labor suffered an important political defeat, whereas the newly formed Committee of Middle Class Liaison and Action surprisingly attracted 12 percent of the voters. The Figaro predicted that the middle classes would from now on maintain their own social interest through increasing organization.

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OPINION/LETTERS

The Famous and Rich Get Taken for a Ride

By Philip Bowring

HONG KONG — Great

hoaxes say more about the hoaxer.

The Bre-X fool's gold find in Indonesia ranks among the great hoaxes of modern times: the Great Salad Oil Scandal of the late 1950s, when U.S. banks were duped into making huge loans secured on empty tanks of vegetable oil; the Investors Overseas Services debacle of the late 1960s, when thousands of mutual fund investors were taken for a costly ride; or, more recently, the Bank of Credit and Commerce International's multibillion-dollar deception of banks around the world.

The fascination in the Bre-X case is not so much with whichever previously obscure persons in Canada, Indonesia or the Philippines concocted and sold the tale of the world's richest gold deposit. Nor is it with the mechanics of how the drill cores were crushed and salted. It is fascination with the not-so-obscure names who bought the Bre-X story.

Gullibility and greed are two sides of the same coin now as when medieval alchemists were

Yet the belief that tiny Bre-X had found the "world's richest deposit" in Indonesia took hold not only among Canadian punters in penny mining stocks who are used to the often inflated claims of small exploration companies. What made Bre-X into a global story was the seemingly uncritical acceptance of the claims by big-name companies and some influential individuals. Their zeal to get part of the action gave Bre-X credibility.

At first this was the fairly harmless Bre-X recruitment of President Suharto's eldest son, Sigit Harjojudanto, as consultant to clear the way for the grant of a mining permit.

But before the permit was issued, two North American mining giants, Barrick Gold Corp. and Placer Dome Inc., were trying to muscle in on the project. Barrick joined forces with the president's elder daughter, Siti Hardjanti Rukmana (better known as Tutu), and wheeled in former President George Bush of the United States and former Prime Minister Brian Mulroney of Canada to support its cause.

In Jakarta, ministries, ministers and courtiers battled for pieces of the action. Eventually the situation became so messy that President Suharto intervened. The solution brought in Freeport and Mr. Suharto's close business associate, Bob Hasan. Barrick, Placer and others were left in the cold.

Now, everyone is in the cold, not knowing which to regret more, the greed or the gullibility. The mining companies will need a while to live down this ignominious tale, which is bound to make mining in Indonesia (and perhaps elsewhere) more difficult, and exploration harder to finance. The bigger question, however, is its impact in Indonesia, facing an election in the short term and a succession in the longer term.

Will Busang be seen as a scam of no lasting significance? Or be taken as an example of victimization of the nation by unscrupulous Westerners?

Or will it be viewed as evidence that the unbridled acquisitiveness of some well-connected Indonesians can bring the nation, as well as its leadership, into disrepute?

International Herald Tribune

By Elizabeth Ann Hulick

PARIS — One of the most

challenging jobs any woman can volunteer for is that of a mother. If you happen to work outside the home as well, you get the doubly most challenging job.

At home, you come last. In the morning, your toddler will dog your steps, position himself literally underfoot, and accompany you to the toilet, to the shower, to the dressing room. You eat after him, if there is still time to eat.

MEANWHILE

and you get yourself ready in under 15 minutes, even if you allow yourself two hours before you have to leave for work in the morning. The rest of the morning race is devoted to your child: eating, diapering, dressing and distraction.

Your personal grooming gets pared down to the essentials: color-coordinated clothes that you can grab and put on fast. A friend, mother of five, mentions the endless possibilities of black and white. We dress like nuns, minus the headgear.

While you are hastily applying your makeup in the morning, your child is emptying the bathroom cupboards all over the floor and is amusing himself by attempting to ingest some shampoo. He must, has to, brush his teeth, even before he has many teeth. You must, have to, brush your teeth at the same time. The toothpaste must be replaced in the drawer, the drawer firmly



shut, before the brushing can proceed. Together, he howls if you do not follow suit precisely. His soggy toothbrush gets left in the hallway.

You are careful about where you walk at home, because there is a haphazard trail of toys throughout the house — no matter how many hundreds of times you pick them up, reassemble the parts and tuck them away in the toy chest.

You notice the phone is off the hook and you look to see your child laughing and babbling into

the cordless. Did he just dial Buenos Aires?

The garbage bin fills daily, mostly with wadded-up disposables, because babies have this infernal tendency to do the big duty in a new diaper. You delve over and over into bodily functions of the most horrid, enough-to-take-your-breath-away, foulness. You are thrown up upon. You reach into the mouth of your toddler and extract saliva-covered half-chewed unidentifiable. You become, astonishingly, unfazed by all this.

Your child, even at 16 months, understands your weak points and learns, better than any other near and dear one, how to push your buttons. He filters the food in his mouth and pushes the larger chunks out and onto the floor. Or spews straight out in your direction, laughing with glee. He fetches his shoes and is pointing for his coat before you have found the keys he has hidden.

The evenings after work are dinner, bath, books and bed. For him. You get whatever time that is left after that. Your biggest

ambition in life becomes watching a little television before going to bed. Or just going to bed. You come to accept these ambitions as noble.

The night before, you were shaken out of a deep sleep at one or two or three in the morning. You didn't bother to check the time. It was quiet, it was dark, it was not supposed to be time to get up yet. You were jolted into action by his wailingly desperate cries for... a drink.

He couldn't say it, but he was thirsty. You gave him his drink and he settled back to sleep, cozy in his bed, content. You went back to bed, heart racing from the lights, the zing of the microwave bell, the chill of the floors on your bare feet, your mind wide awake.

On the weekend, while he naps, you do the dishes and then you grab a nap too, falling into a stupor while supplicating the gods regarding your child: Let him not wake up yet. Just one hour of silence, please.

Don't misconstrue. You rise to the occasion over and over again. Your child is helpless, and thankfully, amazingly, charming, when charming. He is your child, your beloved, the tiny existence for whom you are responsible. He wants you first, likes you best, needs you most. You find him endlessly fascinating, endlessly entertaining, even while he is endlessly needy and endlessly demanding, until he is able some day to let go. He is also endlessly lovable. You learn that a big part of loving is giving.

International Herald Tribune

Gullibility and greed: two sides of the same coin.

selling similar tales of miraculous means of changing dress into gold.

By insisting on an independent report and finding out the truth about the Busang "gold" deposit in Indonesia, the American company Freeport McMoRan Copper & Gold has done a service.

But one question remains unanswered: How did so many big names become so deeply involved in the episode before the reality was revealed? There obviously was fraud. But it is not as though large mining companies are not aware how difficult it is to find gold in suitable quantities anywhere. They know only too well how much tedious and costly drilling is needed over months or years to confirm and define even a modest deposit. Even the richest seams are variable in shape and gold content. That is why gold is worth the price of gold.

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International Herald Tribune

LETTERS TO THE EDITOR

Sanctions on Burma

The editorial "Sanctions on Burma" (March 25) misses the point of many of those opposed to sanctions and the resulting lack of engagement with Burma's government. The U.S. government has two equally important issues with Burma — human rights and narcotics trafficking. Burma is one of the world's leading producers of opium, which arrives in the United States as heroin.

Human rights advocates have undermined every attempt by the U.S. government to work with the

Burmese on opium production and trafficking, arguing that any cooperation would appear to endorse the military regime.

While the editorial is correct in saying that "sanctions would cost American business little," it fails to note that sanctions will cost the taxpayers a lot: They are the ones who will have to deal with the increased amount of heroin that will end up on city streets.

THOMAS C. BRAMAN, Brussels.

Is the human rights record of Burma, a nonentity in international

trade and home to only modest American investment, really more odious than that of Nigeria, a major oil supplier and home to significant American investment and profits?

GERALD DIXON, Geneva.

This editorial says that Daw Aung San Suu Kyi "would be Burma's elected leader had the government not annulled 1990 elections."

However, because of her marriage to a British subject, Daw Aung San Suu Kyi is not eligible

for public office under the 1947 electoral code.

DAW MYA THEIN, Manila.

Rowdiness in the Air

Regarding "Abuse at 35,000 Feet: Airlines Take Aim at Rowdy Passengers" (May 2):

The most telling phrase in this article, described "passengers herded into cramped seats, lubricated with too many drinks and denied the freedom to smoke."

When you add intentional overbooking, failure to enforce rules

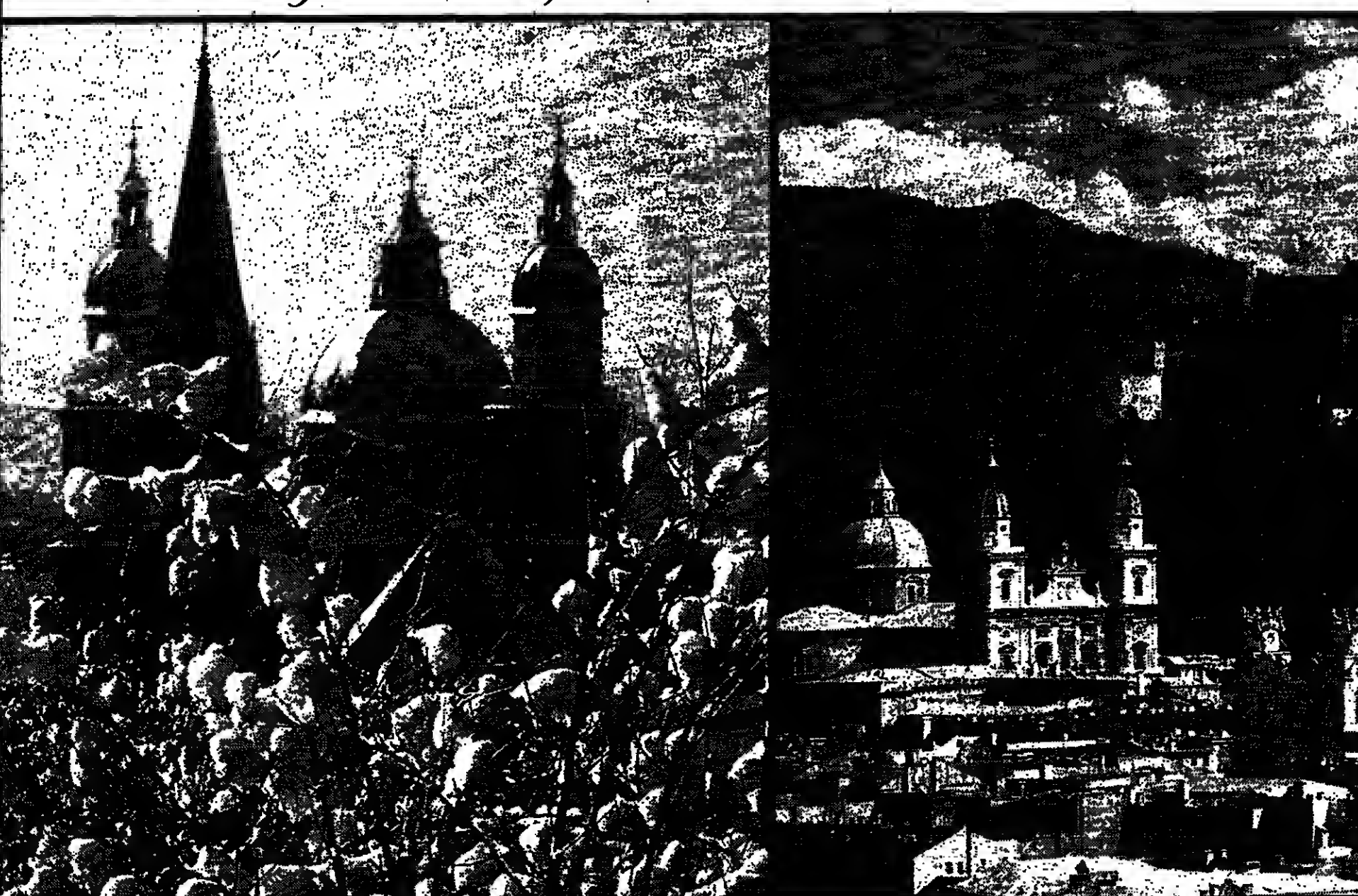
limiting carry-on baggage and indifferent service, it's a wonder there aren't more problems.

Better service and more attention to quality of flight issues may be more effective than printed warnings and handcuffs in preventing rowdy behavior.

ROCCO TOMANELLI, Lens, Belgium.

As a passenger, I say that if we are treated like animals, then we have the right to behave like animals!

ADRIAN KUNZLE, New York.

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Yet another famous composition in Salzburg.

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itchless Flop

from the White House to engage in an all-out war against Mr. Saddam. That feeling was reinforced when annual funding was cut to \$20 million in late 1992, and then to \$15 million in 1994, after Bill Clinton came to the White House and adopted Mr. Bush's program in a memorandum to the president.

The agency has been used as a last resort of failed policy. In the two administrations, Mr. Tenet said those words on Tuesday to describe something that he said would happen to the CIA on his watch. He did not mention Iraq, but agency veterans knew what he had in mind.

It still is unclear how deep and how the Iraq failure runs. He emphasized that he backed the CIA's "zillion" of options when he became deputy director of the CIA, according to agency sources. If there was a Saddam attack, it was one of its principal victims.

The Senate is on the verge of cleaning up a mess he helped make. It does not take it and shape a program capable of producing change with its own investigation of a nation's humiliation.

The Washington Post

Sanitarian Aid

evaluating the new U.S. approach to humanitarian aid. U.S. foreign policy officials will keep changes pending on Washington's decision of where U.S. interests lie at any particular time.

Washington's policy may not always coincide with the interests of the U.S. foreign policy community. But it is not as though large mining companies are not aware how difficult it is to find gold in suitable quantities anywhere. They know only too well how much tedious and costly drilling is needed over months or years to confirm and define even a modest deposit. Even the richest seams are variable in shape and gold content. That is why gold is worth the price of gold.

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International Herald Tribune

Rubbernecking

give orders. For in order to work out well, for everyone involved, at least two things happen. Yes, the West gives Mr. Tung a clear message, but of equal importance, Beijing must give Tung a chance to be a Konger and chart a path away from the mainland.

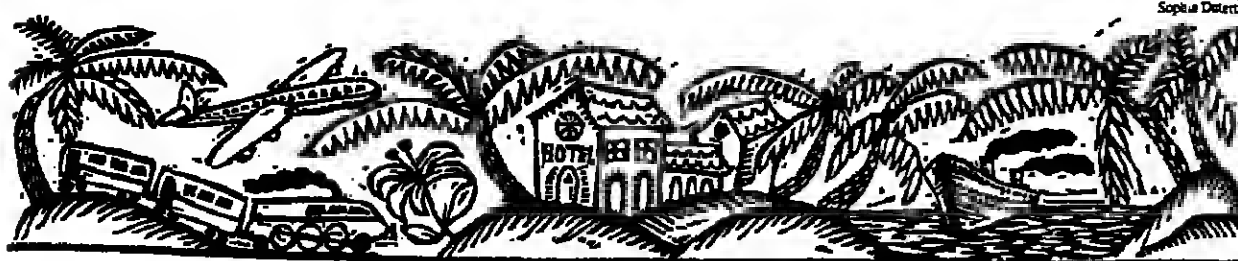
Obviously, referring to other "special administrative districts" — Taiwan — China would wish to gain order its arrested "one country, two systems" formula. Tung noted sharply: "A successful Hong Kong is very important to China. It will make the unification easier for China's national interest in Hong Kong work." No could have put it any better.

75 AND 50 YEARS AGO

According to former Secretary of State Robert Lansing, according to him, the establishment of peace and prosperity in the public and the blocking of main designs or aggressive intentions of the United States and the Monroe Doctrine, were the motives that caused the United States to be in island affairs.

1947: A Labor Deal

PARIS — Nation-wide elections to name administrative officials showed that the Communist-dominated General Council of Labor suffered a crushing political defeat, while the newly formed Communist Middle Class Labour and Union surprisingly attracted 10 percent of the votes. The defeat of the Communists was predicted from now on, would lead from now on, their own social interest in increasing organization.



GOOD TRAVEL DEALS

AIRLINES		
AIR CHINA	Britain to Hong Kong	First- and business-class round-trip fares of £2,022 and £1,299 (\$3,270 and \$2,100). Economy fares from £625. New route over northern China cuts flight times on weekly Boeing 747-400 flights by 90 minutes. Free regional connecting flights with British Midland to London. Air China, tel: (44-171) 630 7792.
AIR UK/EVA AIR	Britain to Dubai	Round-trip fare of £224 (\$360) from London City Airport to Amsterdam on Air UK, connecting with EVA Air to Dubai. Six- to 30-day validity. Travel must start by June 13. Travelers, tel: (44-171) 838-3698.
BRITISH AIRWAYS	France to United States and Canada	Round-trip "Billet Doux" fares for departures from Paris, Bordeaux, Lyon, Marseille, Montpellier, Nice or Toulouse cost 2,750 francs (\$470) to New York or Chicago; 3,610 francs to Miami and 3,450 francs to Montreal or Toronto. Certain conditions apply.
EL AL	France to Israel	Weekend break in Tel Aviv for 3,200 francs (\$550) per person for two people traveling together. Includes round-trip flight from Paris, two nights with breakfast at the Tel Aviv Sheraton. From May 19 to June 18. Tickets must be paid for by May 18.
JAPAN AIRLINES	Europe to Japan	Mileage Bank members in Europe, Middle East and Africa can earn 50 percent bonus miles in any class. Until June 30.
HOTELS		
CHELSEA HOTEL	London	"London Event Package" for £85 (\$137) per person for a one-night stay in double room includes English breakfast, two-course evening meal and taxi to your choice of event in the West End. Until Aug. 31.
GARDEN BEACH HOTEL	Juan-les-Pins, France	"Jazz a Juan" package for 3,600 francs (\$620) for two people for two nights includes buffet breakfast, entry to Jazz Festival and chili con carne in the early hours. July 15 to July 31.
SHANGRI-LA HOTELS	Asia-Pacific	Added-value deal for guests paying the published rate includes limo transfers to airport, American breakfast, unlimited dry cleaning and laundry, free local calls, fax and long-distance calls at cost, checkout until 6 P.M.
SHANGRI-LA HOTELS	Asia-Pacific	Summer promotion offers up to 40 percent off regular room rates at 35 Shangri-La and Traders hotels in 11 countries. Until Aug. 31, Sept. 30 or Oct. 31, depending on the property.
TIM HOTELS	Paris	Two-night package for two people at choice of 21 hotels in central Paris for 1,000 francs (\$170) includes buffet breakfasts; one-day passes to 60 museums and monuments; two-day Metro and SNCF passes for travel in Paris and near suburbs. June 22 to Aug. 31.

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

THE FREQUENT TRAVELER

Voilà! Carry-On Haute Cuisine

By Roger Collis
International Herald Tribune

RETURNING from London to Nice on the last flight of the day with British Airways was a painful experience in both the physical and financial sense. Not only was I squeezed into an ergonomically challenged seat for slightly more than the cost of a round-trip to New York, but this was summer time: I was hungry and there was nothing edible to eat.

Having suffered this fate the week before, I refused the derisory collation, grabbed a drink, and ostentatiously enjoyed the smoked salmon sandwiches I'd just bought at Heathrow.

We all have views on airline food. But it invariably fails to match the promise of the glossy ads or the eloquent menus, expensively printed and endorsed by designer chefs, even in first or business class. I've often thought about packing a picnic on long-haul flights in the back of the plane, but never quite managed to summon sufficient chutzpah.

Why doesn't some entrepreneur institutionalize the idea by marketing executive lunch pails in departure lounges?

NEW OPTIONS No sooner had I thought of this than I am overtaken by events. For here comes Four Seasons Hotels & Resorts' "Gourmet Meals To Go" for departing guests "to replace the limited options of airline dining."

The program was initiated in November 1996 at the Four Seasons Los Angeles in Beverly Hills in response to "repeated requests" from guests wanting to take popular items along with them. The service is now available at Four Seasons properties in Bali, Dallas, Houston, New York, Chicago and Newport Beach, California.

The Beverly Hills menus feature such delights as "grilled lobster-potato with smoked peppers, arugula and garlic-basil aioli; antipasto of Italian cured smoked meats,

grilled vegetables, cheese, roasted olives, marinated mushrooms and savory salads; southern fried chicken, homestyle cabbage cole slaw and sweet corn relish; a selection of Maki sushi rolls, sesame and soy sauces; tea-smoked duck salad, minted Asian vegetable slaw, and chili-garlic vinaigrette."

There are several menus that cost from \$9 to \$25 and desserts around \$8.50.

"These are all items I would enjoy on a flight," says Carrie Nahabedian, executive chef at the Four Seasons in Beverly Hills.

The night before check-out, guests phone in their order to room service and their "meal to go" will be waiting for them on departure, along with the rest of their luggage. The Four Seasons' initiative has given at least one hotel chain food for thought.

Frank Ansel, vice president food and beverage for Hyatt

International in Chicago, says: "Airline food has a long way to go. Some airlines—especially long-haul, Asia to the U.S. or Europe—now realize that a lot of travelers just want something simple: a pot of noodles, snacks, sandwiches, fruit and so on. I think it can be much better done."

A CUT ABOVE

Victor Grove, the customer service manager for PrivatAir, a charter airline, which prides itself as being "the world's most discreet and exclusive operator," in Geneva, says: "One of our regular clients, a European business tycoon, usually just wants a cheese board and a bottle of red wine. We also go out of our way for unusual meals. If an Arab prince asks for a whole rice-stuffed lamb, we'll certainly serve it to him and his guests."

Some of the best inflight

food is served on regional airlines, especially those operating small single-cabin aircraft out of London City Airport to destinations in mainland Europe.

Airjet, which flies the BAe 146 "whisper jet" to Paris, regales "high-yield" business travelers with chilled soup of shellfish and spring vegetables with a dash of anise, and *foie gras de canard en gelée*. VLM, with services to Antwerp and Rotterdam, serves sandwich fillings such as salmon and chicken curry. And Crossair, which flies to 67 cities in Europe, is renowned for its inflight cuisine.

Moritz Suter, Crossair's president, is very much behind the sandwich philosophy. We are thinking of replacing hot and cold meals with a selection of sandwiches.

Which is roughly where we came in.

THE CAR COLUMN

A Creative Urge: The Boxster

By Gavin Green

MOST one-hit wonders don't last long. But Porsche, which had its first (and only) hit as a carmaker back in 1964, is not only still here, but prospering. And it's all due to the 911, which is 33 years old and still going strong.

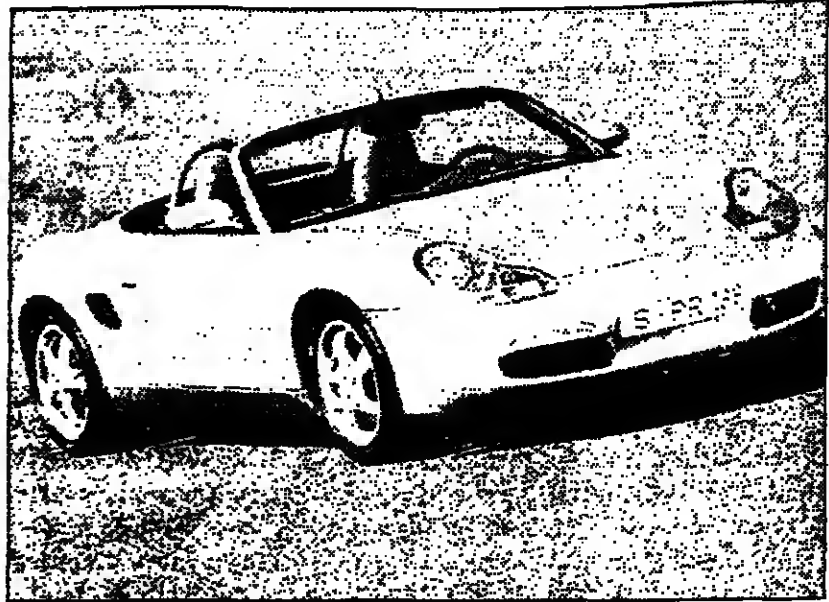
On numerous occasions, the German company has tried to replace it, fearing its time had finally come. But each time—most notably when it launched the 928 in 1978—buyers have spurned the newcomer, preferring the more characterful if less conventional charms of the old-timer.

The new Boxster is an obvious follow-up to the 911. It comes at a time when sales of affordable convertible sports cars are booming. The marvelous Mazda Miata, known as the MX-5 in Europe, proved the market existed. Now the German sports big three (BMW, Mercedes and Porsche) are all in there, exchanging punches. Even the British maker MG, which virtually invented the affordable roadster market, is back.

THE OLD AND THE NEW

The Boxster carries over many 911 styling cues—its buglike roundness, its curvaceous fenders and its lowness. But mechanically it's all new. The engine may be a flat-six, but this motor is different. It's smaller and less powerful than the 911's engine, due to the Boxster's lower price and more mass-market aspirations. In keeping with its clean-sheet approach, the engine is sited in the middle of the car—between the cabin and the rear wheels—rather than out the back, keeping the rear bumper company. A mid-engine configuration is much better for handling.

It is a fabulous car to drive, the Boxster, the best in the class. It's briskester and sharper than the rival Mercedes SLK,



prettier and faster than the BMW Z3. The engine has that same marvelous bellow that characterizes the 911: Hit the accelerator pedal and the motor trumpets like a bull elephant. The handling is almost hyperactively sensitive—the car wends its way down winding roads like a snake speeding through long grass—and the fabulous brakes and steering just add to the dynamic ensemble. The drop-down roof, fully electric apart from some manual work to tether it to the windshield, just adds to the thrills and to the raw sensations that are part of the character of the best sports cars.

THE cabin design is the biggest disappointment. The plastics are out of especially good quality and the switches are sited across the dash with all the ergonomic planning of shot fired from a blunderbuss. As with the 911, you buy a Boxster for the way the

outside looks and for the way it drives, not for any particular enjoyment to be had from the cabin ambience.

Porsche's recent creative rush, incidentally, isn't over yet. The one-hit wonders from Stuttgart are set to revamp the 911 at the end of the year, further upgrading the old-timer. After all, if the unexpected happens and the market turns against the new Boxster, then at least there's the 911 to fall back on.

• Porsche Boxster. About \$50,000. Flat-six engine, 2,480cc, 204 BHP at 6,000 rpm. Five-speed manual gearbox, five-speed automatic "Tiptronic" transmission optional. Top speed: 240 kph (149 mph). Acceleration: 0-100 kph in 6.9 seconds. Average fuel consumption: 10.2 liters/100 km.

Next: The Audi A6

Gavin Green is the editor in chief of Car magazine.

ARTS GUIDE

BELGIUM

BRUSSELS
Musée d'Art Ancien, tel: (2) 508-3211, closed Mondays. Continuing! To July 27: "Paul Delvaux, 1897-1994."

BRITAIN

LONDON
Royal Academy of Arts, tel: (171) 494-5815, open daily. Continuing! To June 8: "The Berlin of George Grosz: Drawings, Watercolours and Prints, 1912-1930."

FRANCE

PARIS
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing! To July 14: "Paris/Bruxelles—Bruxelles/Paris."

VERSAILLES
Musée National du Chateau, tel: 01-30-84-74-00, closed Mondays. To July 13: "Versailles: Trois Siècles de l'Art." Paintings in pastel from the 17th, 18th and 19th centuries, including works by La Tour and Elisabeth Vigée-Lebrun.

GERMANY

BERLIN
Museum für Moderne Kunst, tel: (30) 324-50-78, open daily. To July 27: "The Age of Modernism: Art in the 20th Century." Features 350 works by more than 100 artists that represent four facets of modernism: Reality and Distortion (Picasso, Matisse, Bernini, Giacometti, Bacon and Baselitz); Language

and Concept (Duchamp, Warhol, Beuys); Spirituality and Abstraction (Kandinsky, Mondrian, Fontana) and Dream and Myth (Dali, Bathus, Twombly).

BONN
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland, tel: (228) 9171-200, closed Mondays. To Aug. 24: "German Photography: The Impact of a Medium, 1870-1970." The history of German photography documented with 300 pictures by 150 photographers from the fields of architecture, art, photojournalism, fashion, design and advertising.

ITALY

VENICE
Peggy Guggenheim Collection, tel: (41) 520-6288, closed Tuesdays. To May 18: "George Grosz: The Berlin Years." Paintings, works on paper, pamphlets, books and photographs focus on the German artist's art and political activism during his early years in Berlin before he fled Nazi Germany for America in 1933.

BILBAO
Museo de Bellas Artes, tel: (94) 424-27-99, closed Mondays. To June 30: "Del Vedutismo a las Primeras Vanguardias." A selection of 40 paintings and 4 Rodin sculptures from the collection of

UNITED STATES

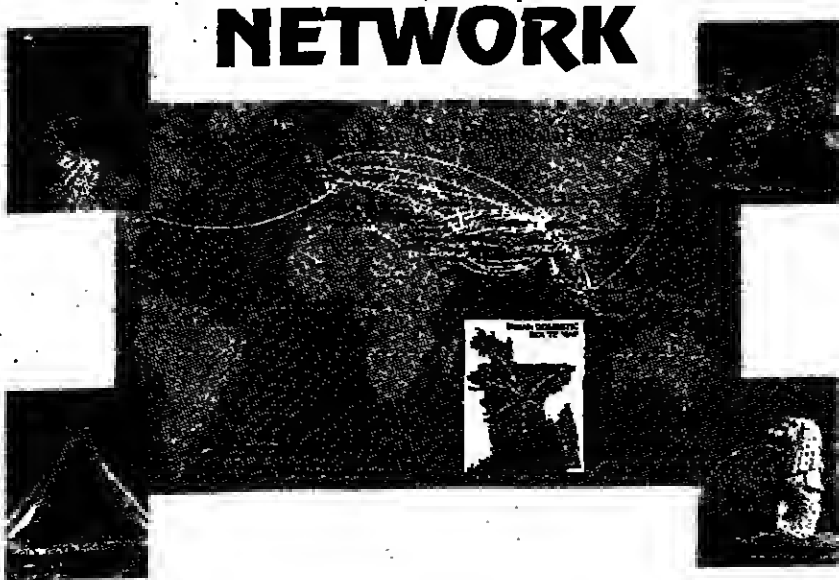
NEW YORK
Metropolitan Museum of Art, tel: (212) 570-3701, closed Mondays. To July 13: "Prints in the Age of Albert Dürer and Lucas van Leyden." More than 150 engravings, etchings, woodcuts and illustrated books by Renaissance masters Albrecht Dürer, Lucas van Leyden and their contemporaries.

CLOSING SOON
May 11: "Teplo und Die Zehn Jahrhunderte." Wallraf-Richartz Museum, Cologne.
May 11: "Tetsugoro Yorozi." National Museum of Modern Art, Tokyo.
May 11: "Exiles and Emigrants: The Flight of European Artists from Hitler." County Museum of Art, Los Angeles.

May 11: "Encounters with Modern Art: Works from the Rothschild Family Collections." Philadelphia Museum of Art, Philadelphia.
May 11: "The Victorians: British Painting in the Reign of Queen Victoria, 1837-1901." National Gallery of Art, Washington.
May 11: "Joseph Menzel, 1815-1905: Das Labyrinth der Wirklichkeit." Alte Nationalgalerie, Berlin.
May 11: "Georges de La Tour and His World." Kimbell Art Museum, Fort Worth, Texas.
May 11: "Violette Parra: Homages." Musée des Arts Décoratifs, Paris.

RENDEZ-VOUS WITH A VINTNER
Cooking demonstration and wine tasting
Crozes-Hermitage, Jaboulet-Ainé
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For reservations, telephone: 01 43 16 50 50

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FRIDAY, MAY 9, 1997

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Ford Says Cost Cuts Exceed Goal

Chief Executive Also Sees Profit for Europe

Bloomberg News
WINDSOR, Ontario — Ford Motor Co. shares rose Thursday after the carmaker's chief executive said the company would cut costs by "substantially" more than its goal of \$1 billion. The executive, Alex Trotman, also said he expected Ford's European operations to return to profit this year. Ford struggled with slow-selling models and overcapacity in Europe last year as it faced fierce competition.

At Ford's annual meeting in Windsor, across the border from Detroit, Mr. Trotman also predicted 1998 vehicle sales for the U.S. auto industry of 15.25 million to 15.5 million, little changed from the range of 15 million to 15.5 million that many analysts and the three U.S.-based automakers have forecast for 1997 sales. Mr. Trotman also said growth in U.S. gross domestic product would probably be 3 percent in 1998, with inflation remaining "low." Overall, he said he was "confident" about the U.S. economy.

Ford shares closed 75 cents higher, at \$35.875.

Also on Thursday, Ford sold \$500 million of 100-year bonds to take advantage of what the company called "attractive" market conditions. The bonds were priced to yield 7.81 percent, or about nine-tenths of a percentage point more than the benchmark 30-year Treasury bond. Proceeds from the sale will be used to replace bonds that are maturing this quarter, Chris Vinyard, a Ford spokesman, said.

This is the first time Ford, the No. 2 U.S. automaker behind General Motors Corp., has sold 100-year bonds. Chrysler Corp., the No. 3 U.S. carmaker, sold \$500 million of 100-year bonds in February.

Bonds with 100-year maturities have become popular among U.S. companies in recent years in response to the healthy economy. Borrowers are taking a chance to lock in interest rates that, in historical terms, are relatively low.

Ford's bonds are rated A1 by Moody's Investors Service Inc. and A-plus by Standard & Poor's Corp.



A NEW APPLE, IBM AT CORE — Dealers and journalists trying out an Apple notebook computer made by International Business Machines Corp. at a preview in Tokyo on Thursday, May 8, 1997.

Strong Sales and Weak Yen Propel Sony

By Andrew Pollack
New York Times Service

TOKYO — Sony Corp. said Thursday that its earnings more than doubled to record levels in its latest year, helped by the weak yen and strong sales of its PlayStation video game as well as of other consumer-electronics products. Sony's results are among the first of many earnings reports over the next two weeks that are expected to show that Japan's export-oriented electronics and automobile companies have largely recovered from the slump of the last few years, thanks partly to their own restructuring and partly to the weakening of the yen, which makes Japanese products more competitive overseas.

Sony said its consolidated net income for the year that ended March 31 rose to 139.5 billion yen (\$1.12 billion), a gain of 157 percent from the previous year and better than its peak earnings in the early 1990s. Sales rose 23.3 percent, to 5.66 trillion yen.

Some of Japan's strongest companies, such as Toyota Motor Corp., Honda Motor Co., Canon Inc. and TDK Corp., are also expected to report record earnings or otherwise extremely positive results.

Even troubled companies should do better, with Nissan Motor Co. expecting to report its first consolidated profit in five years and Mazda Motor Corp. hoping to break even.

Japan's consumer-electronics industry as a whole is expected to report growth of 82 percent in operating profit for the year, almost entirely because of the weaker yen, according to estimates by ING Baring Securities.

But overall, analysts say, with Japan's years of rapid growth behind it, not all companies will be able to prosper. The Japanese business world is dividing into winners — mainly internationally competitive companies — and losers, with stock prices diverging accordingly.

For Sony, which obtains about 70 percent of its revenue outside Japan, the yen's 15 percent decline against the dollar year over year provided a major boost.

Had currency rates not changed, the company said, its sales would have been the yen equivalent of \$4.2 billion less than they were, and its operating income would have dropped 6.9 percent, rather than rising 57.4 percent.

But Sony has been helped in addition by its PlayStation video game. Sales of video-game hardware and software reached about 400 billion yen last year, Joseph Osha, a Tokyo-based analyst for Merrill Lynch, said.

Sony's revenue in Japan, where it is not helped by the weakening yen, still rose 15.3 percent.

The company's movie business registered an increase in sales of 37.8 percent, to 438.5 billion yen, partly because of currency rates.

Sony's earnings in the United States were dragged down by a substantial loss at Materials Research Corp., a company based in Orangeburg, New York, that Sony acquired in 1989 for about \$60 million.

Materials Research, which makes equipment used to manufacture semiconductors, appears to have lost more than \$100 million, and Sony said it might sell it.

At the close of trading Thursday, Sony's shares were up 90 yen at 9,720 yen on the Tokyo Stock Exchange.

Fuji to Expand Its Plant in U.S.
Compiled by Our Staff From Dispatches
ELMSFORD, New York — Intensifying its battle with Eastman Kodak Co., Fuji Photo Film Co., which already has U.S. operations that manufacture cameras and provide photo-finishing services, now plans to make film in the United States.

The Japanese company said Thursday it would spend \$200 million to expand its plant in Greenwood, South Carolina, to make 35mm film. The expansion will also increase Fuji's capacity to make color photographic paper, 100 jobs will be created. The latest venture will bring Fuji's investment in South Carolina to more than \$1 billion.

Fuji's announcement comes as Kodak continues to press its claim that the U.S.-based company has been blocked from competing in the Japanese market. The trade dispute has gone to the World Trade Organization settlement panel in Geneva, and a decision is expected by October.

Executives at Kodak declined to comment on Fuji's plans. Fuji said the expansion would allow it to shorten shipping times and improve customer service.

(NYT, AP, Bloomberg)

US Airways Reduces Service to Trim Costs

Cutbacks Seen as Signal to Unions

Compiled by Our Staff From Dispatches

NEW YORK — US Airways Inc. made good on recent warnings that it might start shrinking the airline by announcing Thursday that it would cease flying on many routes, close some unneeded facilities and ground 22 planes.

The airline, which is hamstrung by the highest cost structure in the industry, said that it would halt jet service in September to nine cities, thereby reducing its schedule by 6.5 percent against that of last year.

US Airways said the steps were part of an "efficiency program," adding that they were needed regardless of whether ongoing negotiations with labor unions lead to a lower cost structure. If it reaches such a deal, the company has said it plans to grow.

The moves, however, sent a signal to labor leaders. In meetings with employees in recent weeks, Chief Executive Stephen Wolf has said that without a lower cost structure, he has no choice but to start cutting unprofitable operations.

The moves also suggested that there were considerable areas for easy savings — the airline, for example, has long operated maintenance bases and reservation offices in close proximity.

Airline executives would not say Thursday how many jobs would be eliminated. But in a message to members, the US Airways pilots union said it had been notified that 103 of the 5,000 pilots would be laid off.

The airline said it would halt jet service to Cincinnati, San Antonio, Texas; Albuquerque, New Mexico; Austin, Texas; Bangor, Maine; Daytona Beach, Florida; Islip, New York; Melbourne, Florida; and Newburgh, New York.

The company also plans to close its Los Angeles pilot and flight attendant crew base by February, with affected employees being transferred to other bases.

The airline also said maintenance facilities in Roanoke, Virginia, and Greensboro and Winston-Salem, North Carolina, would be phased out by the end of next year except for the Winston-Salem landing gear shop, which will remain open. Reservations centers in Nashville, Tennessee, and Utica, New York, will be closed by Oct. 1.

Warren Buffett, chief executive of Berkshire Hathaway Inc., which owns 338,000 shares of US Airways' convertible preferred stock, said he agreed with the moves.

"If the labor groups have the will," he said, "I know management has the ability to make this airline into the global competitor everyone wants it to be."

US Airways' shares closed \$2.75 higher at \$34.50.

Labor makes up about 40 percent of US Airways' total operating costs, the highest ratio in the industry, said Vivian Lee of Bankers Trust New York Corp., compared with about 31 percent at Continental Airlines Inc.

Ms. Lee said the recent onslaught of low-fare airlines in Eastern markets made it imperative that labor costs come down. In the last year, Southwest Airlines Inc., ValuJet Inc. and Delta Air Lines Inc.'s Delta Express have added flights on nearly 400 routes that directly compete with US Airways.

"Every time an airline comes in and wants to take a nibble off their route structure, US Airways can't compete because they can't meet their fares," she said. "It's not enough just to lower cost a little bit. Their entire cost structure must come down."

The airline has had trouble convincing the Air Line Pilots Association of its competitive dilemma, especially since reporting record first-quarter earnings last month.

"Make no mistake, we remain committed and hopeful that our labor discussions ultimately will enable us to put in place a competitive cost structure," Mr. Wolf said. (NYT, AP, Bloomberg)

Senator Seeks to Warn EU

A U.S. senator urged President Bill Clinton to ensure that Boeing Co.'s proposed takeover of McDonnell Douglas Corp. would receive an "impartial" antitrust review by the European Union, AFX News reported from Washington.

"We are deeply concerned by recent public statements" by the European commissioner on competition, Karel Van Miert, Senator Slade Gordon said.

Mr. Van Miert said last month that he had "extremely deep concerns" about the consolidation and that it "remains to be seen" if a solution could be worked out, the Republican from Washington state said.

"Mr. Van Miert's public statements" to audiences in Europe and the U.S. about his negative views of the proposed transaction are inappropriate, prejudicial and do grave harm to the due process that is the legal right of the involved parties," Mr. Gordon and the other senator from Washington, Patty Murray, wrote to Mr. Clinton.

INTERNATIONAL STOCKS

Betting on Bangkok's Bottoming Out

Bloomberg News
BANGKOK — Eric Sandlund started buying Thai stocks six months ago, arguing the worst-performing stock market of 1996 was too cheap to pass up.

Today, Thai stocks, shaken by mounting bad debts, a four-year property slump and the slowest economy in a decade, are about a third cheaper still. But the managing director of Prudential Portfolio Managers (Asia) Ltd. is not relenting.

"I'm tired of defending Thailand," Mr. Sandlund said. "We're not writing off the Thai economy, and any way you value it, this market is cheaper than it's been since the 1980s."

Mark Mobius, who manages the New York Stock Exchange-listed Templeton Emerging Market Fund, said in March that for all their troubles, Thai stocks looked attractive. Yet the economy, he said, probably would not recover for at least a year.

But few agree with Mr. Sandlund, whose firm manages more than \$3 billion, and Mr. Mobius.

During the past year, fund managers have cut the percentage of Thai stocks in their Asian portfolios to about 3 percent from more than 13 percent a year ago, industry executives said, as a slowing economy hammered corporate profits.

Those who remained watched the benchmark SET Index fall by more than half and the market lose about \$32 billion of its value.

After falling 12.51 points Thursday to close at 614.06, the index is at its lowest point in six and a half years.

Down about 23 percent this year alone, the index is shaping up to be the world's worst performer for a second year in a row. Few are as brave as Mr. Sandlund, who says the Thai economy — and stocks — are ready for a recovery.

Thai stocks are certainly cheaper

than they were a year ago: They trade at about 12 times their earnings per share, down from a price-earnings ratio of 17 a year ago.

But for many investors, the questions remain when and how quickly the country's property market and economy will recover and how long it will take for that recovery to shore up corporate profits.

Signs of a turnaround remain elusive. The government said Wednesday that tax revenue was below its projections, adding that the country was in danger of running its first budget deficit in a decade. A shortfall would disrupt efforts to cut interest rates and prompt officials to cut projected spending for a second time in three months.

"The cut will curb economic growth," said Kittiyarn Mangkornin, an analyst at Ocean Securities & Finance Co. "Theo everybody's profits will be slashed — not good news, indeed."

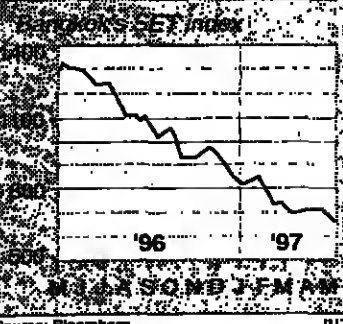
A developer, Natural Park PCL, said this week that one of its units had stopped paying interest and principal on some of its debt.

The announcement followed plans publicized last month by Land & Houses PCL, one of the country's biggest developers, to raise 5 billion baht (\$191.7 million) by selling equity and debt, showing that even the biggest real estate companies are strapped for cash.

In March, the stock exchange took the unprecedented step of briefly suspending trading in all banks and finance companies, and the central bank ordered the companies to increase their reserves against bad loans by as much as 50 percent. Many of these companies reported shrinking profits or widening losses.

See STOCKS, Page 15

Cheap Enough Yet?



Source: Bloomberg

CURRENCY & INTEREST RATES

Cross Rates									
	USD	EUR	GBP	JPY	AUD	NZD	HK	SG	TH
Australia	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Belgium	36.46	36.20	26.63	6.116	2.857	0.85	—	—	—
Canada	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Denmark	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
France	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Germany	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Italy	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Japan	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
South Africa	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Switzerland	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
UK	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
US	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395

Libor-Libor Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
USD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
EUR	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
GBP	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
JPY	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
AUD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
NZD	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
HK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
SG	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
TH	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	USD	EUR	GBP	JPY	AUD	NZD	HK	SG	TH
USD	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
EUR	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
GBP	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
JPY	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
AUD	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
NZD	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
HK	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
SG	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
TH	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395

Other Dollar Values									
	USD	EUR	GBP	JPY	AUD	NZD	HK	SG	TH
Australia	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Belgium	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Canada	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
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France	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Germany	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Italy	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
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South Africa	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Switzerland	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
UK	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
US	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395

Forward Rates									
	USD	EUR	GBP	JPY	AUD	NZD	HK	SG	TH
Australia	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Belgium	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Canada	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Denmark	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
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South Africa	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
Switzerland	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
UK	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395
US	1.294	1.121	0.634	110.2	0.61	0.51	1.237	1.509	1.395

New McCaw Venture Lures 3 From AT&T

Compiled by Our Staff From Dispatches

NEW YORK — AT&T Corp. said Thursday that three executives at its mobile-phone business were quitting to join a new venture aimed at helping companies compete in local-phone markets.

The new venture, called OneComm LLC, is being formed by Craig McCaw and will provide management and strategic advice to companies seeking to offer local-phone service. Mr. McCaw built the largest U.S. cellular company, McC

Blue Chips Advance, But Rally Is Trimmed

Critics Say Commission Hasn't Tackled Subsidies Problem

	High	Low	Latest	Change
Jan 18	26.00	19.75	28.00	+8.25
Feb 18	26.00	19.50	28.00	+12.50
Mar 18	26.00	19.50	28.00	+12.50
Apr 18	26.00	19.50	28.00	+12.50
May 18	26.00	19.50	28.00	+12.50
Jun 18	26.00	19.50	28.00	+12.50
Jul 18	26.00	19.50	28.00	+12.50
Aug 18	26.00	19.50	28.00	+12.50
Sep 18	26.00	19.50	28.00	+12.50
Oct 18	26.00	19.50	28.00	+12.50
Nov 18	26.00	19.50	28.00	+12.50
Dec 18	26.00	19.50	28.00	+12.50
Jan 19	26.00	19.50	28.00	+12.50
Feb 19	26.00	19.50	28.00	+12.50
Mar 19	26.00	19.50	28.00	+12.50
Apr 19	26.00	19.50	28.00	+12.50
May 19	26.00	19.50	28.00	+12.50
Jun 19	26.00	19.50	28.00	+12.50
Jul 19	26.00	19.50	28.00	+12.50
Aug 19	26.00	19.50	28.00	+12.50
Sep 19	26.00	19.50	28.00	+12.50
Oct 19	26.00	19.50	28.00	+12.50
Nov 19	26.00	19.50	28.00	+12.50
Dec 19	26.00	19.50	28.00	+12.50
Jan 20	26.00	19.50	28.00	+12.50
Feb 20	26.00	19.50	28.00	+12.50
Mar 20	26.00	19.50	28.00	+12.50
Apr 20	26.00	19.50	28.00	+12.50
May 20	26.00	19.50	28.00	+12.50
Jun 20	26.00	19.50	28.00	+12.50
Jul 20	26.00	19.50	28.00	+12.50
Aug 20	26.00	19.50	28.00	+12.50
Sep 20	26.00	19.50	28.00	+12.50
Oct 20	26.00	19.50	28.00	+12.50
Nov 20	26.00	19.50	28.00	+12.50
Dec 20	26.00	19.50	28.00	+12.50
Jan 21	26.00	19.50	28.00	+12.50
Feb 21	26.00	19.50	28.00	+12.50
Mar 21	26.00	19.50	28.00	+12.50
Apr 21	26.00	19.50	28.00	+12.50
May 21	26.00	19.50	28.00	+12.50
Jun 21	26.00	19.50	28.00	+12.50
Jul 21	26.00	19.50	28.00	+12.50
Aug 21	26.00	19.50	28.00	+12.50
Sep 21	26.00	19.50	28.00	+12.50
Oct 21	26.00	19.50	28.00	+12.50
Nov 21	26.00	19.50	28.00	+12.50
Dec 21	26.00	19.50	28.00	+12.50
Jan 22	26.00	19.50	28.00	+12.50
Feb 22	26.00	19.50	28.00	+12.50
Mar 22	26.00	19.50	28.00	+12.50
Apr 22	26.00	19.50	28.00	+12.50
May 22	26.00	19.50	28.00	+12.50
Jun 22	26.00	19.50	28.00	+12.50
Jul 22	26.00	19.50	28.00	+12.50
Aug 22	26.00	19.50	28.00	+12.50
Sep 22	26.00	19.50	28.00	+12.50
Oct 22	26.00	19.50	28.00	+12.50
Nov 22	26.00	19.50	28.00	+12.50
Dec 22	26.00	19.50	28.00	+12.50
Jan 23	26.00	19.50	28.00	+12.50
Feb 23	26.00	19.50	28.00	+12.50
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Apr 23	26.00	19.50	28.00	+12.50
May 23	26.00	19.50	28.00	+12.50
Jun 23	26.00	19.50	28.00	+12.50
Jul 23				

1990

EUROPE

Another Profit Alert Damages BTR Stock

Compiled by Our Staff From Dispatches

LONDON — BTR PLC shares fell 14 percent Thursday after the company said the strong pound and sluggish growth in Germany and Australia were leading to a drop in its first-half operating profit.

BTR, which makes products ranging from formica tabletops to conveyor belts, said those factors would cut operating profit by about £35 million (\$57.3 million) and sales by £300 million, compared with the first half of 1996.

Germany and Australia account for 30 percent of the company's revenue.

Other British businesses, including Reed International PLC and Reuters Holdings PLC, also have said that the expensive pound, which has risen 20 percent against a basket of

other currencies since August, would slash their earnings by reducing the value of overseas income when it is converted into pounds.

"This is not the first profit warning," said John Hatherly, head of research at M&G Group PLC, "and it's not going to be the last. The reaction is more the surprise."

BTR's stock fell 37 pence to close at 229.

BTR's profit warning is the latest of several such alerts that have dented investor confidence in the conglomerate.

In September 1994, the company said profit margins had come under pressure because of overcapacity in its markets. In December 1995, it said a weak Australian housing market and sluggishness in U.S. and European car manufacturing would dent profit.

Last May, BTR blamed poor performance at its Polymer Taiwan unit for a weak profit outlook.

But some analysts said they expected that a yearlong reorganization program would eventually bring returns at the company.

"The market always expects things to happen overnight," said Grant Cullem, fund manager with Hill Samuel Bank Ltd. "I think there is at least another 18 months to go."

"This is an overreaction," said Janet Lear at Credit Lyonnais Securities. "This highlighted the fact that there is more economic impact than people thought. We're still very keen on BTR."

BTR also restated its earnings for 1996 to account for a disposal and acquisition program. It said operating profit in the first half of 1996 was £690 million, compared with a previously reported £496 million. Sales for the first half were set at £4.19 billion.

The company aims to sell off about £2.5 billion of assets by the end of this year. It had sold £1.8 billion by March.

Separately, BTR said it had agreed to buy the Parvex unit of GEC Alsthom and to sell its Mirless Blackstone unit to that joint-venture company.

BTR said Parvex would enhance its Brook Hansen industrial motors and gear drives unit, while the Mirless sale completed its exit from diesel engine manufacturing.

Financial terms of the deal were not disclosed.

(Bloomberg, Reuters, AFP)

Charge Hits Profit at Body Shop

Compiled by Our Staff From Dispatches

LONDON — Body Shop International PLC said Thursday its pretax profit fell 3 percent in the year ended March 31 as it took a charge for problems at its French operations.

Without the charge of £6.5 million (\$10.6 million), the retailer, which sells what it calls environmentally friendly cosmetics, would have posted a 17 percent rise in profit as revenue from new stores offset slow growth at existing stores.

Pretax profit after the charge was £31.7 million, down from £32.7 million a year earlier.

Stuart Rose, the managing director, said the company was looking for a French retailer to take over operations in France. He said French sales suffered from a terrorist bombing campaign in 1995 and had never recovered. Overall, sales rose 8 percent, to £622.5 million, but sales at stores that had been open at least a year were flat.

Body Shop's shares fell 2 pence to close at 188.5.

(Bloomberg, AFP, Reuters)

Boeing Lands a Czech Deal

It and McDonnell Plan to Take Stake in Aircraft Maker

Bloomberg News

PRAGUE — The government plans to sell a minority stake in the Czech Republic's biggest maker of military aircraft, Aero Vodochody, to a group led by Boeing Co. and McDonnell Douglas Corp.

The contract, announced late Wednesday, should be signed by the end of September, Prime Minister Václav Klaus said. The price was not disclosed.

The Czech airline CSA joined Boeing and McDonnell to form the consortium.

The sale comes as McDonnell Douglas is competing to sell fighter jets to the Czech military and to other East European countries.

Boeing and its partners plan to

use Aero Vodochody to make parts for Boeing's commercial carriers and assemble McDonnell's fighter jets, using some local suppliers.

The Czech government opened bidding in January for a stake of between 34 percent and 40 percent of the heavily indebted aircraft maker. The minimum price was set at 950 million koruna (\$30.8 million). Boeing and McDonnell Douglas's cooperation on the project is independent of Boeing's plan to buy McDonnell, and the two will remain partners in the Czech Republic even if regulators block Boeing's \$13.65 billion purchase of its rival, Boeing said. The merger is expected to close this summer.

Aero already makes parts for

Boeing 747s and 757s. Analysts said the companies may have agreed to the deal to improve their chances of selling military aircraft to Prague.

"Ultimately, one has to be able to provide offsets and jobs, and I think this is really part of the offset issue," John Modzelewski, an analyst at PaineWebber, said.

Companies that win contracts from governments often sign so-called offset deals to make parts in the country or use local subcontractors.

Aero Vodochody produces training aircraft and is one of the Czech Republic's largest exporters of military equipment, mainly parts for its planes.

BSkyB's Plan Gains Ally and Rival

Compiled by Our Staff From Dispatches

LONDON — British Sky Broadcasting Group PLC's planned satellite-television venture drew a competitor and a collaborator Thursday.

British Digital Broadcasting, a consortium bidding for rights to offer digital terrestrial-television services, said it was discussing working with British Interactive Broadcasting, the satellite group led by BSkyB.

But United News & Media PLC said it had formed an alliance with NTL Inc. to bid for a license for digital-television services that would compete with the BSkyB venture.

BSkyB announced the formation of British Interactive on Wednesday.

The venture, which is to provide such services as home shopping and banking along with about 200 satellite channels, also includes British Telecommunications PLC, Midland Bank PLC and Matsushita Electric Industrial Co.

British Digital, formed by Carlton Communications PLC, Granada Group PLC, already has applied with BSkyB for three digital terrestrial-television licenses. The director of British Digital, Nigel Walsley, welcomed the creation of British Interactive, saying it would accelerate his company's prospects of offering a wider range of interactive services. "BDB and

BIB are in active discussions about collaboration between the parties to enhance the interactive opportunities afforded by BDB's plans for digital terrestrial television," Mr. Walsley said.

United News said it would pay £120 million (\$196.4 million) over four years for 30 percent of the capital of Digital Television Network Ltd., a venture owned by NTL. NTL was formed after the acquisition of International CableTel Inc., a U.S.-owned British cable company, by National Transcommunications Ltd., which previously ran a commercial-television transmitter network.

(Bloomberg, Reuters)

Toyota Plans New Model for Europe

BRUSSELS — Toyota Motor Corp. said it was developing a "completely new kind of small car for the European market," and that it might build the car at a new plant somewhere on the Continent.

Toyota's president, Hiroshi Okuda, said the automaker had not yet made a decision on whether to build a new plant in Europe.

"I have not brought a shovel," said Mr. Okuda, who was in Brussels on Wednesday for meetings

with Toyota sales and manufacturing representatives. "We are not ready yet to go to work on any new plants, and I don't expect a decision before next year about any additional production in Europe."

He said the new model, intended to compete with Volkswagen AG's Polo, Ford Motor Co.'s Ka and Fiat SpA's Punto, would not be sold in Japan but would be designed there with input from the Toyota design center in Brussels.

Conceptual models of the new car,

which does not yet have a name, will be shown at the Frankfurt auto show in September, Mr. Okuda said.

Toyota hopes to increase sales in Europe to 600,000 vehicles a year by the turn of the century from about 400,000 last year. The European Union has a one million car-per-year limit on Japanese auto imports.

Toyota said it would shift production of its Corolla model from Japan to its Burnaston, England, plant next year to make room for production of the new car.

STOCKS: As Most Flee the Bangkok Market, Some Still Insist That a Rebound Is Near

Continued From Page 13

The government is already trying to bail out troubled property and finance companies.

It inaugurated a 50 billion-baht borrowing program Wednesday, after a five-day delay from its scheduled start, to shore up the industries.

About 40 percent of the 900 billion baht of loans made to developers in the 1990s are in default.

The run of problems stems from a frenzy of building and speculation in the late 1980s that is coming back to haunt developers and the financial institutions that lent them money.

Thailand's current-account deficit

has compounded the real-estate crash.

At almost 8 percent of economic output, the shortfall is one of the world's highest and has prompted comparisons with Mexico, which devalued its currency in 1994 after running up a comparable imbalance.

The deficit has forced the central bank to keep overnight lending rates at about 9.5 percent, leaving inflation-adjusted interest rates near their highest this decade.

With all that bad news already reflected in stocks, Mr. Sandlund said he saw no reason to sell now. The moment every analyst, journalist or salesman seems to be forecasting doom, he said, is often the very moment to buy.

"I'd prefer to be buying into a collapsing market," Mr. Sandlund said, "when you can find a guy who can call the bottom of this market or any market, let me know and I'll hire him."

■ Central Bank Defends Itself

The Bank of Thailand reaffirmed its independence Thursday from Thai politics in carrying out its job of maintaining monetary stability. Reuters reported from Bangkok.

Rerogchai Marakanond, the central bank's governor, said he had followed a tradition observed by his predecessors in coordinating with the government on monetary policy.

"The central bank has consistently

adhered to the principle of being independent in carrying out its responsibility," Mr. Rerogchai said.

"But being independent does not entail any vocal conflict with the government."

Mr. Rerogchai's statement was a response to recent local press criticism that he had been submissive to politicians during his 10-month tenure.

The governor credited the central bank's success in defending the baht against several rounds of sporadic market attacks early this year to his mobilizing the central bank's staff to work as a team.

Will Labour Aid Eurotunnel?

PARIS — France has asked Britain's new Labour government to reverse its Conservative predecessor by agreeing to an extension of Eurotunnel SA's 65-year concession to operate the Channel Tunnel.

Eurotunnel's creditor banks have agreed to swap some of its £9 billion (\$14.7 billion) in debt for a 45.5 percent equity stake. But that plan requires approval from individual shareholders, who currently hold 90 percent of the struggling company's equity.

Shareholder activists have said they would try to block the debt restructuring plan if the British and French governments do not allow

Eurotunnel to keep the concession beyond 2002, giving the company more time to get itself out of its predicament.

Shareholders are due to meet July 10 to vote on the plan.

Paris backs the extension, but Britain's previous Conservative government, ousted by Labour in general elections May 1, was unwilling to agree.

Separately, Eurotunnel said car and bus traffic on its Le Shuttle service fell 3 percent, to 143,902 in April from March, while passenger numbers on the Eurostar rail service between London, Paris and Brussels fell to 486,359 from 500,899.

(AFP, AFP)

WORLD STOCK MARKETS

High Low Close Prev.

Thursday, May 8

Prices in local currencies.

Relatives

High Low Close Prev.

Bangkok

SET Index: 4148.4

Previous: 4148.4

Adv Info Sec 150 150 150 150

Bank of Commerce 150 150 150 150

Bank of India 150 150 150 150

Bank of Japan 150 150 150 150

Bank of Korea 150 150 150 150

Bank of London 150 150 150 150

Bank of Mexico 150 150 150 150

Bank of New York 150 150 150 150

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Bank of Taiwan 150 150 150 150

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Bank of Tokyo 150 150 150 150

Bank of Union 150 150 150 150

Bank of Vietnam 150 150 150 150

Bank of West Germany 150 150 150 150

Bank of Yugoslavia 150 150 150 150

Bank of Zaire 150 150 150 150

Bank of Zimbabwe 150 150 150 150

High Low Close Prev.

London

FT-SE 100 Index: 4527.9

Previous: 4527.9

Adv Info Sec 150 150 150 150

Bank of Commerce 150 150 150 150

Bank of India 150 150 150 150

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High Low Close Prev.

Milan

MIB Index: 12222.08

Previous: 12222.08

Adv Info Sec 150 150 150 150

Bank of Commerce 150 150 150 150

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High Low Close Prev.

Tokyo

Nikkei 225 Index: 20901.81

Previous: 20901.81

Adv Info Sec 150 150 150 150

Bank of Commerce 150 150 150 150

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High Low Close Prev.

Singapore

Straits Times Index: 2851.28

Previous: 2851.28

Adv Info Sec 150 150 150 150

Bank of Commerce 150 150 150 150

Bank of India 150 150 150 150

Bank of Japan 150 150 150 150

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Bank of London 150 150 150 150

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ASIA/PACIFIC

NEC Venture To Improve China's Chip Technology

Compiled by Our Staff From Dispatches

TOKYO — NEC Corp., Japan's largest semiconductor producer, said Thursday it had reached a preliminary agreement to set up a chip-making venture in China as part of a \$1 billion state-backed plan to bolster China's semiconductor technology.

NEC expects to provide Shanghai Huahong Microelectronics Co. with technology used to etch lines from 0.35 to 0.50 microns in width on 8-inch wafers, an NEC spokesman said. A final agreement would be a breakthrough for China, which currently only produces chips at a wider, less advanced 1 to 2 microns on 4- to 5-inch wafers, the China Daily said.

The venture plans to start producing 20,000 chips a month by 1998, the spokesman said. It will be capitalized at about \$700 million, and NEC will hold a 30 percent stake. China used 6.78 billion integrated-circuit chips last year, of which more than 80 percent were imported, the China Daily said. Domestic production in 1996 totaled 1.15 billion chips but is projected to rise to 2.5 billion a year by 2000.

China plans to create four or five chip producers, a dozen specialized chip plants and 20 research and design centers, the China Daily said. NEC has another Chinese chip-making venture, set up in 1991 with a Beijing-based partner. The company has invested \$468 million in China, the China Daily said.

(Bloomberg, Reuters)

Asians Ready for U.S.-Vietnam Pact

Bloomberg News

HANOI — R.J. Gurley expects more factories to fill up his industrial park outside Hanoi if the United States grants most-favored-nation trading status to Vietnam.

But the factories probably will not be American, according to Mr. Gurley. They will be run by Taiwan and South Korean companies that export sneakers and T-shirts to the United States, getting the lower tariffs most-favored-nation status confers.

"Many Taiwanese and South Korean and Hong Kong companies say as soon as Vietnam has MFN, they'll get over here and start manufacturing right away," said the American, who is in charge of marketing the Thai industrial park. "American companies don't say that."

Asian companies in Vietnam will benefit more from the beneficial U.S. trade designation because their factories mostly produce goods for export, and there are more of them here. The Americans usually build factories to sell to the local market.

Hanoi and Washington, seeking to put behind them the enmity of the Vietnam War, have haggled for more than a year over a trade treaty. But both sides say they hope negotiations will speed up with the arrival Friday of the first U.S. ambassador to Hanoi, the former prisoner of war Pete Peterson.

Of the seven biggest investors in Taiwan, six are Asian: Singapore, Taiwan, Japan, South Korea, Hong Kong and Malaysia. The seventh is the British Virgin Islands, a tax haven that in many cases is merely a front for an Asian company.



A Hanoi street stall selling American-style baseball caps Thursday.

The United States is ninth, and its ranking may fall following the decision by Chrysler Corp. to abandon plans for a \$190 million car-assembly plant in Vietnam.

Most of the American investment, from Ford Motor Co.'s \$103 million auto-assembly plant to Motorola Inc.'s aggressive marketing of telephones, pagers and radio products to Coca-Cola Co. and PepsiCo Inc.'s joint ventures, looks forward to when the 77 million Vietnamese are no longer among the world's poorest people.

Instead, many of the Asian in-

"We foresee good times between the United States and Vietnam, and therefore for Taiwanese companies as well."

The Americans, meanwhile, are having a tough time trying to sell inside Vietnam. Because Vietnam's trade deficit is soaring, the Communist government prefers its foreign investors to export. The deficit, \$4 billion last year, equals almost a fifth of gross domestic product.

Foreigners selling to the Vietnamese market also compete against state-owned companies, many of which are already in dire straits.

Hyundai Expects Approval

Hyundai Motor Co. said Thursday that it expected to finally win approval to build a joint venture plant in Vietnam by July, Reuters reported from Seoul.

"The possibility to get the license in the first half is significantly over 50 percent from an earlier 50-50 percent chance," said a Hyundai spokesman, Min Kyong Hwan. "The Vietnamese government is starting to favor Hyundai."

Hyundai Motor, a flagship affiliate of South Korea's largest conglomerate, said it would invest about \$220 million in the plant, in which the company is expected to hold a 65 percent stake.

The plant, which will be located near Ho Chi Minh City, will be able to make 10,000 vehicles a year.

If Hyundai wins the license, Mr. Min said, the company would increase local production of auto components by extending technical tie-ups.

'Star Wars' Bolsters News Corp. Profit

Compiled by Our Staff From Dispatches

SYDNEY — The Force was with Rupert Murdoch last quarter, but disaster may be about to strike, analysts said Thursday.

News Corp.'s net profit surged to 330 million Australian dollars (\$256 million) in its third quarter to March 31, from 77 million dollars a year ago, fueled by the success of the re-release of its "Star Wars" trilogy and purchase of New World Communications Group Inc.

But the expense of filming two disaster movies — "Volcano" and "Titanic" — is likely to slash film revenue this quarter and next. "Volcano" re-

portedly cost about \$100 million to make but had a gross of only \$27 million at the box office through May 5.

The release of "Titanic," reputedly the most expensive movie ever made, has been pushed back past the traditional U.S. opening date of July 4.

"Titanic won't affect them this year, but Volcano will be a loss-maker," a Melbourne analyst said.

News Corp. shares fell 5 cents to close at \$6.01.

But News Corp. was optimistic about the fourth quarter, and some analysts said the company was on track to exceed its promised 20 percent growth in full-

year earnings. News Corp.'s revenue for the quarter rose 23 percent, to 3.7 billion Australian dollars.

The company's 20th Century Fox film unit drove the earnings higher during the quarter as operating profit rose 36 percent after the strong box office performance of the "Star Wars" trilogy, which generated \$349 million in revenue in two months.

A decline in newspaper prices also buttressed the results. Earnings from newspapers in Britain rose 47 percent as advertising revenue rose at each of the company's four newspaper titles.

(Bloomberg, Reuters)

New Apple Notebook: An IBM

The Associated Press

TOKYO — Apple Computer Inc. said Thursday it would start selling a smaller, lighter version of its PowerBook notebook computer manufactured by its former rival, IBM Corp.

The PowerBook 2400c, which weighs 4.4 pounds, is the first computer with Apple's Macintosh operating system to be made by IBM.

The new model will be released in Japan later this month and in the United States by the end of July. It is expected to sell for about \$3,500.

IBM is part of a consortium with Apple and Motorola Inc. that designed and makes the PowerPC microprocessor at the heart of all current Apple Macintosh models.

As part of that arrangement, IBM has a license to use the Macintosh operating system, but so far has not released any Mac clones under its own name.

Finding Oil for Asia

Tokyo Group Proposes Buyers' Cartel

Reuters

TOKYO — An Asian OPEC? Well, not exactly. But an influential Japanese business group is pushing for an Asian oil-buyers' cartel that would oversee the country's negotiations with oil.

The idea is that such a cartel could use the collective buying power of Asia's booming economies to secure better terms from the Organization of Petroleum Exporting Countries and other oil-sellers.

"In essence, the cartel would serve as a countermeasure to big producers, an organization in the image of OPEC that would serve Asia's oil-consuming countries," a representative of the Japan Association of Corporate Executives said. The business group, which proposed the idea in a report submitted last month to Japan's Foreign Ministry and its Ministry of International Trade and Industry, is still awaiting a response to the proposal.

The report said the cartel should operate under the auspices of the 18-member Asia-Pacific Economic Cooperation forum and should be based in Tokyo. It said the huge growth in oil demand in Asia meant that countries should hold talks aimed at coordinating their oil-buying policies.

Analysis said the idea reflected the changing balance of power among Asia's major oil importers.

"There's a lot more competition on the demand side in Asia than there was 10 years ago," said Paul Horsnell, chief of Asia-Middle East studies at the Oxford Institute of Energy Economics in England.

Mr. Horsnell said some APEC members, such as the United States, would be against such a cartel but that it would benefit Asia's so-called tiger economies as well as Japan, the region's largest importer.

In this Saturday's

MONEY

M & A

H

ow have the stocks & bonds of companies making major acquisitions fared?

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

PepsiCo Plans Public Offering In New Zealand

Compiled by Our Staff From Dispatches

AUCKLAND — PepsiCo Inc. said Thursday it would spin off its Kentucky Fried Chicken and Pizza Hut restaurants in New Zealand with an international public offering in a new company called Restaurant Brands NZ Ltd.

PepsiCo is divesting its restaurant units worldwide to concentrate on franchising and brand development.

Restaurant Brands is to offer 85 million shares, representing 100 percent of the company, for between 1.80 and 2.20 New Zealand dollars (\$1.23 and \$1.50) each. If the price is at the high end of that range, Restaurant Brands would be among New Zealand's top 40 companies by market capitalization.

Restaurant Brands will run the 122 fast-food restaurants under long-term franchise agreements. Jim Collier of PepsiCo is to be chief executive of the new company.

(Reuters, Bloomberg)

Daily news from the Dutch business weekly The Netherlander?

www.netherlander.com

(Dutch business news in brief on internet)

The Netherlander

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NETHERLANDS	NGD 195	78	60%
NORWAY	NOK 882	390	56%
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Thursday's 4 P.M. Close
(Continued)

Year	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
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SPORTS

Oilers Narrow Series to 2-1 With Victory Over Avalanche

The Associated Press
Kelly Buchberger scored twice, including the tying goal late in the third period, and Ryan Smyth added the winner 2:18 later as the Edmonton Oilers beat the Colorado Avalanche, 4-3.

The victory in front of a delirious sellout crowd in Edmonton on Wednesday night cut Colorado's lead in the best-of-seven Western Conference semifinal series to 2-1, with Game 4 to be played Friday night in Edmonton.

The victory gave the Oilers new life after it appeared they were headed for a 3-0 series deficit to the defending Stanley Cup champions.

Edmonton was trailing, 3-2, with less than seven minutes left in regulation. But Buchberger — the only Oiler remaining from the club's Stanley Cup years in the late 1980s and 1990 — scored his fifth goal of the playoffs on a rebound to pull Edmonton even.

With 3:45 left, Smyth scored on a disputed play as he converted a centering pass past Colorado's goaltender, Patrick Roy. The Avalanche claimed Smyth was in the crease, but the goal was allowed following a video review.

The Avalanche had looked secure as they took a 3-2 lead into the final period on the strength of a six-point outing from the line of Peter Forsberg, Claude Lemieux and Valery Kamenyuk, each getting a goal and an assist.

But the line of Buchberger, Smyth and center Jason Arnott outdid one of the most explosive units in hockey, finishing with eight points. Arnott, who has been criticized for lackadaisical play, had a goal and two assists.

way through the third period after being upended by one of the Oilers' defensemen, Bryan Muir, and falling head-over-heels to the ice. He was diagnosed with a minor concussion and did not return.

The Avalanche's coach, Marc Crawford, complained about the winning goal and

NHL ROUNDOFF

about the check that knocked Forsberg out of the game. But he said his club lost because it weakened defensively.

"Peter was playing well at the time, but we still should have been able to persevere and continue through," he said. "They did a good job of pouring the puck to the net, they were insistent on getting there, and we were a little soft in our coverage and didn't play with a great deal of confidence in the last seven or eight minutes."

On Buchberger's first-period goal, the Oilers' winger scored from near the boards into an unguarded net after Smyth bumped an Avalanche defenseman, Jon Klemm, into Roy, who fell hopelessly out of position.

Flyers 4, Sabres 1 In Philadelphia, Paul Coffey symbolically established the Philadelphia Flyers' dominance before the game, then confirmed it with his play in the first period.

After a pregame showdown with Buffalo's enforcer, Matthew Barnaby, Coffey assisted on three first-period goals as the Flyers cruised to victory over the Sabres in Game 3.

Philadelphia can sweep the series with a victory in Game 4 on Friday.

The smaller Sabres have attempted to stand up to the Flyers — a big team that plays a physically intimidating game — even in such seemingly insignificant matters as the pregame skate. The teams almost went at it before the game, when Barnaby and Coffey battled over Coffey's continued trespassing onto Buffalo's half of the ice.

"He said, 'Cross the red line one more time, so what do you think I did?' I crossed the red line," Coffey said.

Barnaby, an agitator who had 249 penalty minutes this season, had enough.

"He came skating over the red line a few times, so I took a swack at him," Barnaby said. "He came over again and I took it on myself to slash him. I tried to break his ankle. It didn't work."

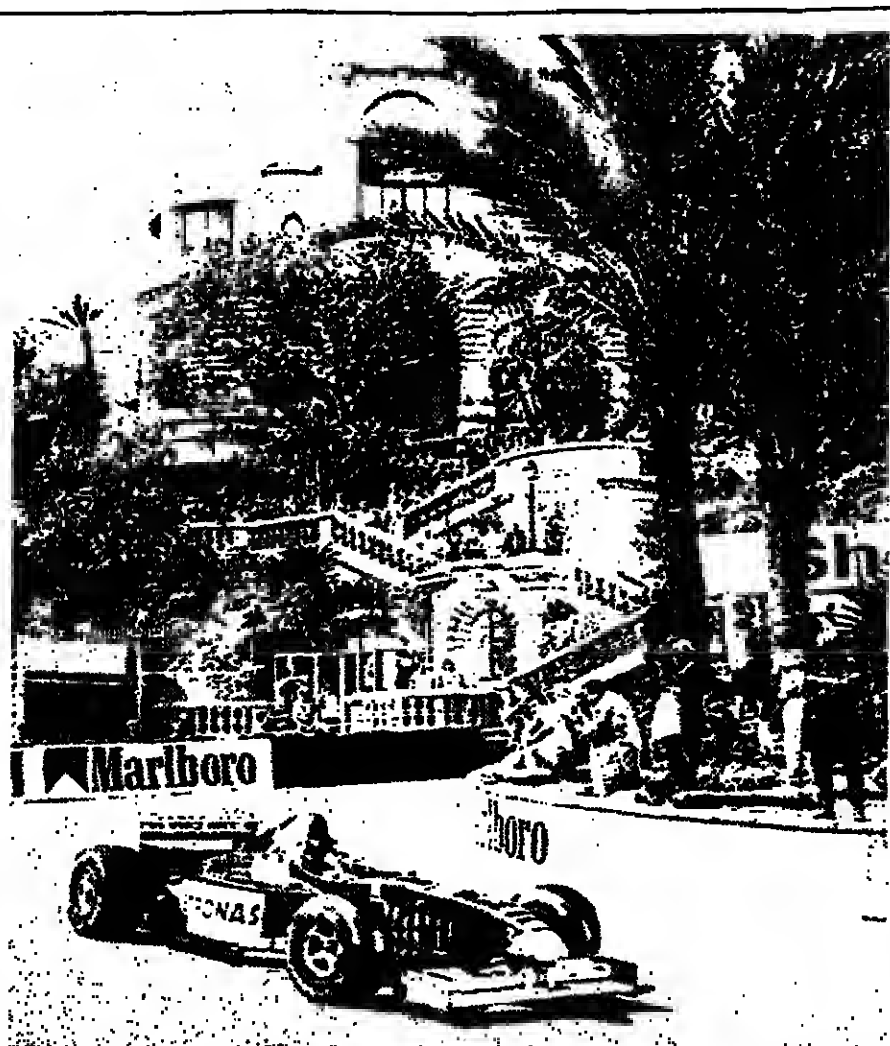
It certainly didn't. Eight minutes into the game, while the Flyers were on the power play, Coffey lofted a pass from near the blue line to Eric Lindros standing alone in front of the Buffalo net.

Lindros grabbed the chest-high pass, dropped the puck to the ice, then spun for a turnaround shot that beat the goalie, Steve Shields, between the legs.

Coffey's second big play came about four minutes later, when Buffalo once again had somebody in the penalty box. Coffey zipped a pass up from near his blue line to Dale Hawerchuk streaking down the left wing.

Hawerchuk's slap shot whistled past Shields, and the Flyers were up 2-0.

Coffey and Hawerchuk also teamed to set up Rod Brind'Amour's goal, which came after Darryl Shannon's power-play goal had cut the Philadelphia lead to 2-1 with five minutes to play in the first period.



DRIVE IN THE SUN — Johnny Herbert negotiating the Loews curve Thursday in practice for Sunday's Monaco Grand Prix. Herbert, in a Sauber powered by a Petronas-Ferrari engine, recorded the fastest qualifying time.

Sweden Reaches Ice Hockey Final

The Associated Press
Helsinki — Jorgen Jonsson scored a late goal, and goalie Tommy Salo made several stunning saves Thursday as Sweden beat the Czech Republic, 1-0, to advance to the final of the World Hockey Championships.

The other finalist will be determined in Friday's match when Canada faces Russia.

The only goal came at 11:44 of the final period when Jonsson fired a rocket between the pads of Czech goalie Roman Cechmanek.

Earlier, Swedish goalie Salo made a series of saves, including two final period one-on-one breaks by Jiri Dopita.

Schalke Has Edge In Dreary Final

A spectacular goal from Marc Wilmots of Belgium gave Schalke of Germany a 1-0 victory over Inter Milan in the first leg of the UEFA Cup final.

Just as a dismal game seemed to be heading toward

Kerkrade beat Heerenveen, 4-2, in the Dutch Cup final in Rotterdam on Thursday.

The game opened with three goals in 16 minutes. Gerald Sibon put Roda ahead. Igor Korneev leveled but Gerrie Senden restored the lead. Eric van de Luer and Maarten Schops put Roda ahead, 4-1, in the second half.

SOUTH AMERICA

Plata of Argentina, the defending champion, tumbled out of the South American Libertadores Cup on Wednesday, losing on penalties to Racing Club.

Enzo Francescoli was hero and villain for River, scoring his team's goal in a 1-1 draw but missing its first penalty of the shoot-out.

Scotland's Brian Laudrup scored the only goal as Rangers beat Dundee United, 1-0, to clinch the Premier League title.

NETHERLANDS Roda JC

Japan's Soccer League Suffers Drop in Crowds

TOKYO — Japan's professional soccer league, born on a wave of optimism five years ago, is going through hard times.

A record low crowd of only 2,245 turned up on Wednesday night for a match between JEF United and Sanfrecce Hiroshima at Ichihara stadium reflecting the game's struggle to hold onto the fans.

The latest setback for a sport that was hoping to launch on the coattails of the 2002 World Cup comes despite the continued inflow of foreign play-

ers. The J-League's overall attendance target for this season is 5 million, or an average of 15,000, compared with the goal of 6 million, which was easily reached in 1995.

This year crowds are averaging between 10,000 and 12,000 — compared with 17,000 in the first four years.

"We're not really concerned," said Mitsunori Fujiguchi, the deputy-secretary of the J-League. "In some ways the temporary falloff of the J-League is being stripped away and that's allowing the core support to come out clearly."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	21	9	.700	—
New York	17	15	.525	4½
Toronto	15	15	.500	—
Boston	15	16	.484	6½
Detroit	13	19	.406	9

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	14	16	.463	—
Minnesota	15	14	.517	½
Chicago	17	15	.526	—
St. Louis	13	20	.394	4½
Philadelphia	10	19	.345	5½

WEST DIVISION

	W	L	Pct.	GB
Seattle	17	12	.583	—
Texas	16	13	.552	2
Anaheim	14	16	.467	4½
Oakland	8	23	.258	9

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	22	7	.759	—
Florida	17	15	.526	—
New York	17	15	.526	—
Philadelphia	10	21	.323	12½

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	18	15	.545	—
St. Louis	15	17	.469	2½
Chicago	10	22	.313	7½
San Diego	12	18	.400	8½

WEST DIVISION

	W	L	Pct.	GB
Colorado	21	10	.677	—
San Francisco	19	12	.613	2
Los Angeles	13	18	.419	6½
San Diego	12	18	.400	8½

WEDNESDAY'S LINE SCORES

AMERICAN LEAGUE

Oakland	000	000	000	0	0	0
Minnesota	000	000	000	1	1	1

Kansas	000	000	000	0	0	0
Seattle	000	000	000	0	0	0

Philadelphia	000	000	000	0	0	0
San Francisco	000	000	000	0	0	0

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NATIONAL LEAGUE

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San Francisco	000	000	000	0	0	0

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BASKETBALL

NBA PLAYOFFS

SECOND ROUND

New York	23	14	29	88
Atlanta	23	16	24	79

San Antonio	87	67	22	82
San Antonio	87	67	22	82

San Antonio	87	67	22	82
San Antonio	87	67	22	82

San Antonio	87	67	22	82
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San Antonio	87	67	22	82

San Antonio	87	67	22	82
San Antonio	87	67	22	82

HOCKEY

NHL PLAYOFFS

CONFERENCE SEMIFINALS

San Antonio	87	67	22	82
San Antonio	87	67	22	82

San Antonio	87	67	22	82
San Antonio	87	67	22	82

San Antonio	87	67	22	82
San Antonio	87	67	22	82

San Antonio	87	67	22	82
San Antonio	87	67	22	82

San Antonio	87	67	22	82
San Antonio	87	67	22	82

(P-1000 9/2, P-1000 9/2, P-1000 9/2)
(series filed 1-71)

OBSERVER

How Times Change!

By Russell Baker

NEW YORK — I went to Baltimore for a college reunion. Checked into a hotel. Pretty good hotel. You could open a window, get some fresh air. In a lot of hotels nowadays it's breathe that old second-hand, used air or do without.

The bellboy said did I want some ice. Bellboys always say that. I always say yes, bring some ice. Don't know what to do with the ice when it comes.

I have this room for three days. Cost for three days is more than a whole year's tuition when I first went to this college. And that's with the special reduced rate for old grads. Otherwise, a two-day stay would cost more than tuition for a whole year cost back then. How times do change!

Back then there was no watching a movie in hotel rooms — no TV — which I decided to do. Checked list of movies, special attention to X-raters, always called dirty movies back then. In all Baltimore there wasn't one dirty-movie house back then. Just the Gaiety burlesque, Margie Hart, Evelyn West and Her Treasure Chest. Now, right here in this room, seven or eight spicy flicks.

Decided I'd better not. Always decide I'd better not when staying in hotels. Officials — FBI, CIA, local cops, militant feminists — probably recording room numbers of all X-rated viewers. This hotel says no records are kept of what you're watching. Still — could be a lie. Way to trap the saps.

So instead I watched Barbara Streisand. She married this calculus teacher because he hates carnal relations. Or some-

thing. Is it comedy or heart-break, Barbara? You've got to decide these things if you're going to make movies.

\$8.50 it cost, on top of the room rate. That would have bought 85 streetcar rides to this college back then. How times do change! No wonder it costs \$4 million to send a kid to college these days.

What's this! A red light on the phone. I have a message, says the ghastly voice-mail voice. "Call your office."

So I punched 25 numbers. "Not good enough," said the phone. Of course it wasn't. Stupidly, I'd failed to start by punching 9 for calls outside the hotel.

So I punched 26 numbers. The phone made nasty sounds. A voice asked what I thought I was doing. This phone wasn't licensed to transmit calls via AT&T, you dope.

She said why not use your personal card. "Stuff it," I thought, but didn't say, hanging up and delving into my wallet for the ancient piece of paper on which I had several hundred other numbers for such emergencies.

What's this! Lost my wallet? No. I turned up 30 minutes later hiding under the ice bucket. I punched 31 numbers. Got a real-estate agent in Manhattan.

How times do change! Figured some reunion activity would clear my mind. After getting back from the reunion dinner I'd probably be able to tackle all 31 numbers with more zest for the task.

That's what I figured. So what I did was repeat the 31 numbers over and over at dinner, which nobody noticed because everybody else was saying, "How times do change!"

New York Times Service

White House to Roadhouse: Ahmet Ertegun

By Mike Zwerin
International Herald Tribune

PARIS — Ahmet Ertegun always had a feel for what people wanted to listen to. In his early twenties, he was spending a lot of time in record stores and it was obvious to him that the major recording companies were missing a whole segment of the market.

Atlantic Records, which Ertegun co-founded in 1948 through a \$10,000 loan from his dentist, became, along with Motown, one of the most successful black music labels. Built by Ertegun, his brother Nesuhi and the producer Jerry Wexler, the company played a large part in introducing rhythm and blues acts like LaVern Baker, Big Joe Turner, Ruth Brown and The Coasters to the white audience. Then Ray Charles crossed over for them, followed by, after Columbia made a fool of itself miscasting her as a pop singer, Aretha Franklin. It was said that Wexler "put Aretha where she belonged, in church."

Although Ertegun likes to think he stays in touch, at the age of 72, keeping that feel is "no longer so easy." He loves the singer-songwriter Sheryl Crow and the band Stone Temple Pilots, but he admits that the only way he can listen to much of the new rock and roll is "drunk."

His father was the Turkish ambassador to Paris, London and then Washington. Ertegun is comfortable chatting in French with architects (his wife, Mica, is an interior designer), chansoniers (Charles Aznavour) and sports stars (Michel Platini). The Ertegun brothers founded and funded what Ertegun proudly calls "the best soccer club in the world": the New York Cosmos, with Pele and Franz Beckenbauer.

In his book "Mansion on the Hill," Fred Goodman describes Ertegun: "Like no one else, he was at home in the White House as in a roadhouse." One three-day business trip took him to Paris for the opening of a Picasso exhibition at

the Pompidou Center as the guest of President and Madame Pompidou, to London for an aperitif with Eric Clapton and then to Cleveland for a meeting with an influential disk jockey.

Some 20 years after founding Atlantic, he sold it to Warner Seven Arts, which merged with Warner Communications Inc., and then in turn it became the music division of

kids too. It's derived from the blues and music derived from the blues has become the music of the world."

Members of committees defending children from pornography have "come to see us about the so-called dirty words and violence in rap lyrics." Atlantic puts "parental guidance" stickers on certain albums, but Ertegun believes that to a

ure. Paintings by Picasso hang on the walls of his apartment. His ideas are taken seriously: "I think that the two most significant people in the arts in our century are Pablo Picasso and Louis Armstrong. Armstrong redefined musical phrasing. When I say 'phrasing,' I mean that he invented the concept of swing. 'Louis changed out only the

increasingly attracted to white rock — Crosby, Stills, Nash and Young, Cream, Led Zeppelin, The Rolling Stones.

After the last nightcap, when everybody else goes home, Ertegun is often just getting started. Writing and dining Mick Jagger helped him sign the Stones when they were looking for a new label. In his book "Hit Men," Frederic Dannen quotes Ertegun: "I think Jagger would have liked to be on Exello [a small funk label]. We were the closest he could get to Exello and still get \$5 million."

It's better oow, but in the old days the people who handled the money somehow got to keep most of it. Ertegun cites the shabby treatment suffered by the early black performers, including low royalty rates and creative bookkeeping. Trying to begin to redress the balance, Atlantic Records has contributed \$1.5 million in seed money to the Rhythm and Blues Foundation, which, Ertegun explains, "takes care of indigent R&B singers and players. And we forgave their balances."

Some of our competitors did not even have bookkeeping departments. They just said, 'Here's a Cadillac,' instead of sending statements and paying royalties. Atlantic never did any of that stuff but I'm the last person from that era left, so I guess I bear the brunt of everybody else's sins."

For example, in his newsletter, Rock and Rap Confidential, the critic Dave Marsh writes: "Ertegun showed up at the annual R&B Foundation self-congratulatory spectacle in a regal limousine, wearing handmade shoes."

He recently ran into the retired producer ("sing along with") Mitch Miller, who said: "See how the business has changed? We used to have two-page contracts. Now they got 200 pages. We used to make a record in three hours. Now it's three months. I couldn't stand being in the record business any more. Could you?"

"I'm in it," Ertegun replied.



Ertegun was a co-founder of Atlantic Records, one of the most successful black music labels.

Time Warner, one of the most powerful multimedia, multinational companies. He remains co-chairman and co-CEO of what he calls the "Atlantic Group." It has 10 percent of the American market for sound recordings.

Ertegun wants to be sure to go on record that he loves the music called rap. "Rap is not oew and it's not a fad. It's not going to disappear. Like R&B, it reaches white

large extent rap is just another example of the older generation not understanding what their grandchildren are listening to: 'The lyrical content of rap will change when living conditions of urban people in American cities change.' His grandparents did not approve of swing music."

Jaunty, boldly cultured, carrying an elegant walking stick, he is an imposing and widely respected fig-

way people play but the way they sing. Ella Fitzgerald, for example. There were other people who played and sang well but they never developed the influence Louis had on other people. Just like other talented painters around Picasso's time were not influential."

On the jazz side, Nesuhi, who died in 1989, signed the Modern Jazz Quartet and Ornette Coleman to Atlantic. The company became

PEOPLE

THE former Washington Redskins' owner Jack Kent Cooke has left the bulk of his \$825 million fortune to charity — and nothing to Suzanne Elizabeth Martin, the mother of his 9-year-old daughter, Jacqueline. Cooke died last month of heart disease at 84. In the will, he left his son, John Kent Cooke, \$10 million outright and put \$15 million in a trust for him and his wife and also set up a \$5 million trust fund for his daughter. Each of his five grandchildren received a \$1 million trust fund. Executors of the estate have filed a lawsuit to determine what the estate's responsibilities are to Cooke's widow, Marlena. The document also instructed the executors to create the Jack Kent Cooke Foundation, which may award scholarships to young men and women who have shown unusual intelligence and character, and also may create and operate schools for underprivileged children.

The new owner of a 90-year-old teddy bear paid 277,200 kroner (\$44,700) for it. The toy, which belonged to the late King Frederik IX of Denmark, the father of Queen Margrethe, was sold at auction to an unidentified buyer.

The yellow bear with a red scarf made by the German toymaker Steiff had been expected to fetch 30,000 to 40,000 kroner. The bear was found last year in the attic of a royal castle.

Oprah Winfrey, the talk-show queen, is the target of a \$1 million lawsuit by a photographer, Paul Natkin, who accuses her of using his photos in her best-selling book "Make the Connection." Natkin also charged that Winfrey had not returned negatives of several thousand photographs he took as a free-lance photographer for Winfrey's television show. Winfrey and Danny Glover, who starred together 12 years ago in "The Color Purple," will be reunited in the movie version of "Beloved." Toni Morrison's Pulitzer Prize-winning novel. The movie will be directed by Jonathan Demme and filmed in Philadelphia.

David Duchovny, the hunky investigator of Fox's hit television series "The X-Files," has married Tea Leoni, the bright light of the NBC comedy "The Naked Truth," according to the New York Daily News. The couple

exchanged vows at Grace Church School in Greenwich Village, where Duchovny went to school and where his mother still teaches. It is his first marriage and Lenni's second.

The Greek composer Mikis Theodorakis has been released from an Athens hospital after three days of tests. Theodorakis, 71, who went into the hospital after suffering respiratory problems Sunday during a concert in Berlin says he will take a six-month break from work.

With the 20th anniversary of Elvis Presley's death drawing near, the Memphis-based firm managing his estate is putting the finishing touches to a dazzling memorial bash. "You'll think he's back," said Todd Morgan, a spokesman for the Graceland museum and entertainment complex. The nine-day event from Aug. 9 to 17 will end with a special concert in which the late rock star will be reunited via video technology with 30 to 40 musicians and associates who worked with him on stage through the years. RCA will mark the anniversary by issuing 77 unreleased

Elvis recordings. The four-CD set will include a Presley version of Bob Dylan's "Blowin' in the Wind" and songs recorded when the late rock star was serving with the army in Germany.

Two photographers who boxed in Arnold Schwarzenegger and his wife, Maria Shriver, while they were driving their children to school, have turned themselves in to police. The photographers could be charged with hit and run and reckless driving — they bumped Schwarzenegger's car — but they were set free since their misdemeanors did not warrant an arrest, the police said.

Singer Toni Braxton poses with only a strategically placed sheet on the cover of the latest Vibe magazine and talks sex inside. "I was 20 years old when I lost my virginity," Braxton, 29, said in the interview. The Grammy winner readily agreed to pose for the cover, said Vibe's art director, Lee Ellen Fanning, and said Braxton suggested a "Victoria's Secret theme" to complement her new album, "Secrets."



CANNES FESTIVAL — Jeanne Moreau hugging the director Michelangelo Antonioni, who received a replacement Palme d'Or. The one he won in 1967 for "Blow Up" was stolen. (More Cannes news, Page 10.)



The rain in 900-99-00-11 stays mainly in the plain.

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Ireland	1-800-880-800	
Italy	172-1011	
Netherlands	0800-022-0111	
Russia (Moscow)	795-3042	
Spain	900-99-00-11	
Sweden		020-795-011
Switzerland		050-09-0011
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